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FINANCIAL TIMES

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GENERAL

Bombs blast 5 Belfast targets

Bombs blasted five targets within an hour in Belfast's city centre yesterday, bombers striking at two hotels, a shipping office, cafe and a toy shop. There were no casualties.

One member of an armed bomber gang was shot dead as he grappled with a policeman. A young woman suspect was being interviewed last night.

Near Omagh in Co. Tyrone a bar was wrecked last night when a bomb left by two masked gunmen exploded.

In the Irish Republic police arrested six leading members of the Irish Republican Socialist Party, including its president, Mr. Seamus Costello. The men were detained under the Offences Against the State Act.

The IRSP was formed 18 months ago by a breakaway group from the Official Sinn Féin, political wing of the Official IRA.

Smith forces kill 8 more guerillas

Eight more African guerillas have been killed in the past four days, bringing to 128 the number killed this year, Rhodesian security forces claimed yesterday.

The arrest of 158 Africans, including two leading nationalists for taking part in an illegal meeting at Sinait, 60 miles north-west of Salisbury, also was reported.

QC may defend Angola Britons

British mercenaries captured in Angola, including the man known as Col. Galt, are to be defended by a QC for a fee of £10,000 and expenses, Mr. John Banks, one of the men who recruited the hired troops claimed in London last night.

Syrian 'regulars' in Lebanon

Syria is building up a military presence in Lebanon by infiltrating regular troops uniformed as members of the Damascus-controlled organisation within the ranks of the Palestinian guerillas, according to Mr. Kamal Jumblatt, leader of the Muslim Left. Page 5

Setback for authors

Legislation to give authors the right to payments based on the lending of their books from public libraries will not come into effect until resources allow, the Lords was told. Page 12

7% more crime

Criminal offences rose 7 per cent. last year, according to Home Office figures published yesterday. Robbery was up 30 per cent., criminal damage rose 17 per cent., and violence against the person increased 11 per cent. Burglary was 8 per cent. up and there were 5 per cent. more cases of fraud and forgery. Police cleared up 44 per cent. of offences.

Saudi-Olympia

Saudi Arabia is planning to build the largest fully-covered stadium in the world in support of its expected candidature for the 1984 Olympic Games. Page 4

Briefly...

House of Lords Committee for Privileges is expected to decide today as to which of the three Lord Amhams's two sons is entitled to sit in the House, the Lords was told. Page 12

The U.S. Supreme Court has ruled that a uniformed policeman has no right to wear long hair against orders.

Alcoholics could account for a quarter of all new hospital cases by 1985, Mr. Michael Meacher, a junior Health Minister, told a Liverpool conference.

Firemen last night fought a fire in an underground bunker at the RAF's Neatishead, Norfolk, radar station.

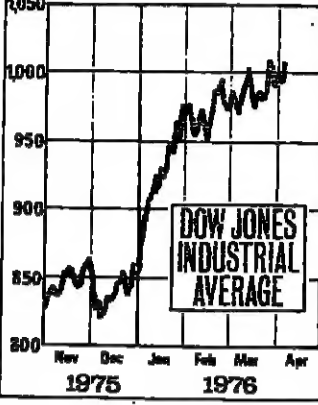
CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)	
RISERS	
Babcock & Wilcox	33 + 5
Barclays Bank	285 + 10
Bowater	263 + 8
"Basis"	368 + 10
British Leyland	321 + 41
Cape Inds.	147 + 13
Courtaulds	151 + 5
Fisons	70 + 4
Freemans (London)	164 + 11
Grafton Warehouses	47 + 7
GLS 'A'	208 + 5
Hawker Siddeley	426 + 12
JCI	399 + 11
Johnson Matthey	338 + 10
Kent & Henderson	70 + 5
Kirkham	82 + 6
Lucas Inds.	4228 + 81
MEPC	70 + 6
FALLS	
London European	26 - 6
De Beers Diamonds	188 - 4
Gold M. Kilmorie	35 - 8
Ocean Resources	25 - 8
Pancontinental	773 - 125
Western Deep	773 - 43

BUSINESS

Wall St. back above 1,000

WALL STREET closed 12.51 up at 1004.09 on gains in car sales and optimism over forthcoming earnings statements.



EQUITIES moved up though volume remained small. The FT 30-Share Index rose 8.2 to 404.7 in close at the day's best. The FT-Accumulated All-Share Index gained 1.9 per cent. to 165.16.

GILTS picked up following Mr. Callaghan's victory, and losses in long ranges to 1 were transformed to gains of the same amount. Shorter held earlier gains of 1. The Government Securities Index gained 0.17 to 61.90.

U.S. TREASURY bill rates at this week's auction were: Three 4.857 (4.929) per cent., and Six 5.293 (5.327) per cent.

NEW ORDERS for the mechanical engineering industry will rise by up to 20 per cent. this year from the depressed levels at the end of 1975 according to a "Little Nipper" forecast. Back Page. The number of employers expecting to recruit staff has almost doubled since last quarter to 17.2 per cent., according to a survey by Manpower. Page 11

£25m. in orders for shipbuilder

AUSTIN and Pickersgill has won £25m. worth of orders to build five cargo vessels from shipping groups in Hong Kong and Greece. Back Page

DOCKLANDS Draft Strategy prepared by the GLC and five boroughs proposes a £3.1bn. programme running to 1987 which would double population from the present 55,000. Back Page

JAPANESE industrial employment has fallen by 8.6 per cent. in three years, and the number of factories has dropped by 6.5 per cent., according to a survey taken in May. Page 3. The U.S. has joined the EEC in complaining about Japanese regulations inhibiting car imports. Page 4

LAUNCH of British Leyland's new Rover has been delayed by a month due to the series of strikes that have hit the company. Back Page

MR. JIM SLATER has joined forces with Lonrho to create a private investment company called Strongmead. Page 26

MR. CLAUDE BIRCH, a GKN consultant, has been appointed yesterday, with the pound moving in a further new closing low of \$1.807 against the dollar, a fall of 25 points on the day. Later in New York it slipped further in very light trading to \$1.805.

BRITISH PETROLEUM profit-per-gallon fell by two-thirds in 1975 for a total profit of £144.9m. (£470m.). Page 9 and Lex. Burmah Oil's remuneration for its Nigerian field interests has been increased from £83m. to £90m. Page 30 and Lex

GRATTAN WAREHOUSES pre-tax profit for the year to February rose to £9.78m. (£8.89m.). Directors propose a 2.2m. Ordinary share creation to raise authorised capital by £11.9m. Page 28 and Lex. FREEMANS profit for the same period rose to £8.18m. (£7.04m.). Page 29 and Lex

Foot beaten by 39 votes • Healey remains Chancellor • 'No cliques' plea

No soft options says Callaghan

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN last night took office as Labour's fourth Prime Minister, firmly pledging his Government to a renewed and determined drive to overcome the country's economic problems.

In a TV broadcast, he appealed for a united national effort. "Everybody must be in this if we are to succeed," he said.

The Government would tell the truth and explain the facts. "Tell the people, consult the people, trust the people, and we can win the people in whatever measures are required even if they are disagreeable," he declared. "That is the way I want to proceed."

Within minutes of arriving at No. 10 Downing Street from his audience with the Queen, Mr. Callaghan confirmed that Denis Healey would remain Chancellor of the Exchequer.

Mr. Callaghan said the Chancellor—whose Budget contents he saw for the first time yesterday—would have his full support for any policies necessary for a more rapid attack on inflation and unemployment.

"We are not in a position to make easy promises. There are no soft options facing Britain," Mr. Callaghan had earlier told

Labour MPs as they acclaimed his victory, by 176-137 votes, over Mr. Michael Foot in the Labour leadership contest.

"The actions we take must convince people at home and abroad that we shall reduce inflation even further, for until we get inflation under control we stand no chance of dealing successfully with the other long-term issues."

Mr. Callaghan, though stressing the need to reinforce the Government's partnership with the trade unions, caused some surprise among MPs by not immediately reappointing Mr. Foot as Employment Secretary.

There was some speculation that Mr. Foot himself was deferring acceptance of the post until he had seen the shape of the new Government.

Clearly established by his vote in the leadership contest as the Cabinet's No. 2, he is generally expected to play an important part in the next round of negotiations with the unions though he might later be tempted by another post, such as Leader of the Commons.

For, though Mr. Callaghan confirmed that the Government's economic policies would be continued, he told Labour MPs: "I intend to make changes in the team."

Some Ministers who were "doing a competent job" would have to go, he said. "My difficulty will be not who to put in but who to leave out."

In these difficult times, the Cabinet will need to be the right blend of experience and youth. "The successful future of our country depends on it."

Parliament and broadcast text. Page 12; Editorial Comment. Page 14; Politics today. Page 25



Britain's new Prime Minister, Mr. James Callaghan, arriving at No. 10, Downing Street, last night with his wife, Audrey, after an audience with the Queen.

Fears of sharper price rises later in year

BY MICHAEL BLANDEN

PRICE INFLATION should slow further in the next few months, but as the effect of the recent sharp devaluation in sterling works through to the cost of living there is a clear threat that prices may rise faster again later in the year.

This message from the wholesale price figures published yesterday by the Department of Industry underlines one of the major economic issues facing the Chancellor of the Exchequer before today's Budget and the first negotiations for the second stage of the incomes policy.

The figures show that the rise in the level of output prices—the cost of goods leaving the factory gate—was only 0.6 per cent. last month, half the increase recorded in about the same period of the year.

If the prices of manufactured goods in the food, drink and tobacco industries are excluded, the latest figures show an increase of 0.7 per cent. last month, the lowest rise recorded in any month since April 1973.

The slower rise in manufacturers' output prices should work through to the retail price level over a period of some three months, helping the Government towards its target of cutting the inflation rate to 10 per cent. or less by the end of this year.

However, manufacturers are also faced with a large rise in the cost of their imported raw materials which will make its impact on output prices later in the year. The index of prices for materials and fuel bought by manufacturing industry as a whole last month jumped by 3.7 per cent.

Excluding the food, drink and

Teng supporters in violent Peking demonstration

PEKING, April 5.

DEMONSTRATORS and looters ran riot here to-day in the most violent unrest the Chinese capital has experienced since the Red Guards' Cultural Revolution ten years ago.

A building believed to house a public security bureau was looted and mobs threw papers and furniture from third-storey windows into fires below.

Three vehicles, including an army jeep, were set alight and a few people were badly beaten up, among them a student said to come from Tsinghua University, the centre of the recent campaign against Vice-Premier Teng Hsiao-ping.

Late in the evening, Wu Teh, the Mayor of Peking, issued an appeal for calm "to protect the great capital of our socialist Motherland."

Mr. Teng has been the target of an increasingly virulent political campaign ever since he failed to succeed Mr. Chou En-lai, the late Prime Minister. Mr. Teng had been expected to succeed Mr. Hua Kuo-feng as named because of Left-wing op-

position to Teng in the leadership. Mr. Teng has been accused by the radical-inspired party Press of being a "capitalist roader" who voices "reactionary theories" and "goes in for revisionism."

He has been accused of wanting to reintroduce material incentives and sponsoring a five-year economic plan dependent on the import of foreign goods.

To-day's demonstration was seen as a public backlash against the "anti-Teng" campaign. The campaign has apparently provoked a deep rift between those leaders who favour the concept of continuing "class struggle" and those personified by Chou and Teng—who fear that permanent upheaval could erode the economic advantages gained since the Cultural Revolution.

The mayor's words echoed from loudspeakers around the square, He blamed "a small minority of ambitious, evil men" for the day-long protests that had produced the violence.

He linked the demonstrations to a struggle in the Chinese Agencies

Cheered by the crowd, they raised a photograph of Chou. The demonstrators then surged across to the steps of the Great Hall of the People, apparently to present a petition.

But they failed and, as skirmishes developed, a car was overturned. Youths danced on its underside and the protests grew angrier.

He linked the demonstrations to a struggle in the Chinese Agencies

New low for £ on eve of Budget

BY COLIN MILLHAM

DOUBTS about the future of the U.K. economy continued to have a depressing effect on sterling yesterday, with the pound moving in a further new closing low of \$1.807 against the dollar, a fall of 25 points on the day. Later in New York it slipped further in very light trading to \$1.805.

Anticipation of to-day's Budget did not appear to have any great dampening effect on the market, and the election of Mr. James Callaghan as leader of the Labour Party was widely expected and had little impact.

Concern over the strong showing of the Left wing in the election and its possible future implications for Government policy, however, may have contributed to sterling's depreciation, widening by 0.1 per cent. to a closing level of 35.9 per cent., equal to the all-time low touched at noon on Friday.

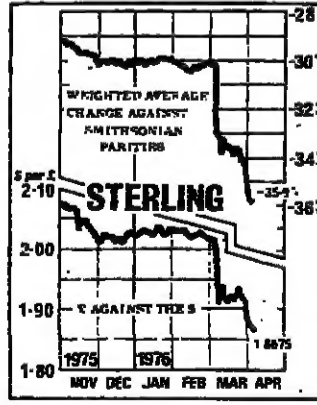
The improvement in the labour situation at British Leyland over the weekend, following the decision to return to work by the strikers at SU Carburators, helped early sentiment and sterling gained 80 points to \$1.8780 shortly after trading began.

In the morning, the Bank of England's calculation of the pound's depreciation since pound has been resisted.

Yesterday, however, the discount houses' buying rate for three-month Treasury bills touched levels of over 81 per cent. in places. This suggests that a 1 per cent. rise to 91 per cent. in MLR on Friday cannot be ruled out at this early stage in the week.

Elsewhere in the foreign exchange market, most currencies were fairly steady. The Italian lira improved slightly, following its sharp fall on Friday, while the dollar's depreciation, according to Morgan Guaranty, widened to 1.96 per cent. from 1.90 per cent.

Gold remained weak, falling \$1 to \$127, its lowest closing level since the end of January. Fears about future sales of the metal by the International Monetary Fund continue to overhang the market.



Following \$175m. support for sterling by the Bank on Thursday and Friday of last week, the authorities appeared content to let the pound find its own level yesterday.

During recent weeks, the temptation to increase Monetary

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BY PETER DUMINY

TOKYO, April 5.

sharply in recent months.

Ministry officials said they are surprised that the U.S. Government is expanding the scope of its investigations into alleged dumping of steel products from the U.S. they do not believe that Japanese manufacturers have been engaged in dumping.

Meanwhile MITI officials said the ministry is asking Japanese steel mills to restrain exports to the U.S. following recent moves there to curb imports of Japanese goods.

They denied, however, reports that the ministry decided to insist that Japanese mills to set

TOKYO, April 5

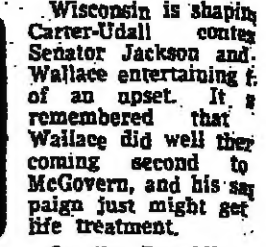
The officials said the Ministry does not want steel exports to disrupt the U.S. market, which is the Japanese steel industry's largest overseas customer.

BY HUGH O'SHAUGHNESSY

It intends to promote Brazil goods even more vigorously supplementing the trade she held at its own trade centre Mayfair with national stands four international exhibitions Britain, Decor International Centre, 75, the International

BY JUREK MARTIN, U.S. EDITOR

The vote count in is likely to be slow and it is possible that tallies will not be kn later in the week.



On the Republican Ford-Reagan battle is pinned to Wisconsin a delegate prize. Mr. [Name] hoping to resume his triumphs over Mr. Reagan was rudely interrupted by Carolina two weeks should succeed.

BY OUR OWN CORRESPONDENT

Carter and Senator Harkin are "fine men quarrel with them; criticism of them, in the name of Mr. Carter or Jackson, is never brain-like intent.

This, perhaps, is Udall's weakness. Other men and in of life it would not be as such. The sun is on Mr Udall's life not become the next of the U.S., but, though this may be translated into the fact he does not act like People have a tendency with winners,

BY DAVID BELL

**By Ray Dafter, Emer
Correspondent**

**A CREDITORS' meet-
ing at St John's, New
yesterday, following
of Shabean National
8350m. (£133.7m.)
Chance oil refinery.**

The biggest single
the refinery is the Bri-
Credits Guarantee
which guaranteed
over an eight-year p-
1973. ECGD and an-
gage holder—the New
Government—has sep-
arately sold the refi-
nery assets and ap-
proach of the British
Petroleum, under
contract to sup-
ply a variety
has been engaged to
the shut-down and

BY OUR OWN CORRESPONDENT

Procon (Great Britain) subsidiary of UOP of Chicago is the main contractor. Involvement led to the £100 million of the ECGD loan, some of which is believed to be repaid.

The 5½ per cent loan was arranged through a consortium of ten British banks: Barclay's Bank, Citibank, Kleinwort Benson and Hambro, Lloyds, National Westminster Bank, Paribas, Royal Bank of Scotland and Glyn's.

ECGD said that the loan was "a normal kind of financing for the Department."

By David Bel

to-day that the noise rules proposed for supersonic aircraft by the Federal Aviation Administration are discriminatory and will have the effect of excluding Concorde from almost all airports, if they are approved. Our Washington Staff writes.

They were testifying before the Federal Aviation Administration's hearing on the EPA's proposed noise rules. The EPA wants to place all but two Concorde's under the same strict noise rules as those which apply to later generations of subsonic aircraft.

Mr. Charles Thomas, EPA's director of standards and regulations, said: "The EPA believes that the benefits of allowing the Concorde to fly to the U.S. are likely to be far greater than the adverse effect on the national aircraft noise abatement programme would be very great."

Mr. M. Michel is Gorce, deputy director of development for the French Government, told the FAA that the new noise rules

Senior British and French officials argued strongly in Washington New York

A spokesman for the huge aerospace company dismissed as "totally unconvincing and inexplicable" the reports that senior Canadian Government officials were once again "pessimistic" about the sale. The Canadian comments were a far cry from the record by a cabinet officer, suggesting that the deal might founder through lack of financing.

In the circumstances, it is being suggested that the Ottawa commission should be asked to advise the Government's continuing policy of manoeuvring to get the financial burden of this sale passed onto the U.S. Government.

Uruguay devaluation

The Uruguayan peso has been devalued for the fourth time this year, this time by 1 per cent. The International Monetary Fund has given Uruguay a credit of \$29.8 million in compensation for its loss of export revenue.

Uruguay devaluation

The Uruguayan peso has been devalued for the fourth time this year, this time by 1 per cent. The International Monetary Fund has given Uruguay a credit of \$29.8m. as a compensation for its loss of export revenue writes Hugh O'Shaughnessy. Reports also continue of political unrest within the armed forces. Last week Sr. Felice Martinez Salvago, a former article editor, was sentenced to 10 years for having passed information to the Tupamaro guerrilla organisation. He has court martial sentence of 12 years imprisonment increased to 14 years on appeal. The military have been in control of Uruguay since the coup d'etat of June 1973.

Lockheed denial

Lockheed Aircraft yesterday afternoon denied that its proposed sale of 18 long-range "Orion" P-3 patrol aircraft to the Canadian Government had run into fresh problems and that completion of the \$1bn. deal was once again in

BY KENNETH RANDALL
INDIAN VICE-MINISTER OF

Mr. Chen told an Australian business mission that, although Government-to-government trade discussions are necessary, China stresses the role of business in solving commercial problems and strengthening bilateral relations.

Mr. Chen agreed in principle to a request from the Australian group that China's department of foreign trade sponsor, through the China Council for the Promotion of International Trade (CCPIT), more small, specialised missions from Australia and promote similar missions to Australia.

The Australian buying and selling mission was itself spotted

TOKYO, April 5.

THE AUSTRALIAN Government will hold talks with Australian and Japanese car makers in Canberra on April 9th to discuss a four-cylinder car engine project, according to Toyota Motor.

Toyota and Nissan Motor are the two Japanese companies involved in the project while the Australian participants are GM-Holden, Ford Australia and Chrysler Australia.

The Japanese car makers

considering a plan to build four-cylinder engines at Lonsdale, South Australia, in a joint venture with the Australian Government and Chrysler Australia, while GM-Holden has announced a plan to construct its own plant to make four-cylinder engines for small cars.

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OVERSEAS NEWS

Rhodesian security forces claim nine guerillas killed

ODESIAN security forces have killed nine African nationalist guerillas during the last four days, suffering only minor injuries themselves, a communiqué said here today. Guerillas also attacked a farm owned by whites near Rhodesia's south eastern border with Mozambique but were beaten off, the communiqué said.

The communiqué also said that there had been exchanges of gunfire across the Mozambique border, a common occurrence since Mozambique closed the border on March 3 and announced that it was on a war footing with Rhodesia.

The latest incidents bring the total number of guerillas killed this year to 129. At least 20 Rhodesian troops have died in the same period.

Rhodesian police also said that they had arrested 138 Africans, including at least two leading nationalists, for taking part in an illegal meeting yesterday at the farming town of Sibona, some 80 miles north-west of Salisbury.

Among those arrested was Mr. Moton Malunga, national chairman of the African National Council (ANC) faction led from abroad by Bishop Abel Muzorewa, and Mr. E. F. Chitale, the Muzorewa-ANC's national deputy secretary for youth affairs.

Fifteen other officials were

also detained, police said. They said Mr. Malunga was one of the speakers at the meeting.

Meanwhile, Prime Minister Ian Smith was reported to have said that the UN Security Council's Sanctions Committee met behind closed doors yesterday to consider a draft resolution on the question of tightening sanctions against Rhodesia, to include a ban on franchises, restrictions on the use of trade names, and insurance, writes Our UN Correspondent from New York. The full Council is expected to meet on the question tomorrow afternoon.

promised to approach "moderate" African leaders for constitutional talks following the deadlock reached with the Vukomo faction of the ANC. Mr. Smith claims that plans for black involvement in government have been drawn up but were held back while the talks with the ANC went on.

In an interview with Independent Radio News he refused to discuss details of the plans but said they would be implemented by the end of the year.

Mr. Smith said rival nationalist factions had been trying to "outdo" one another in what he termed their "extravagant" demands. He also blamed, among others, Britain for giving the nationalist leaders the

impression that they had a right to expect black majority rule.

In Malrohi, the Secretary General of the Organisation of African Unity (OAU) today described as "nonsense" a warning to Cuba by U.S. Secretary of State Henry Kissinger to keep out of Mozambique and Rhodesia. "Africa was not prepared to how to Dr. Kissinger's dictatorial outburst," Mr. William Eteki Mboumoua said.

Cuban and Black Marxist troops, meanwhile, have surrounded the Angolan side of the South African-built hydro-electric project at Ruacana, South West Africa (Namibia), Defence Minister Pieter Botha said in Johannesburg.

He said preliminary diplomatic contact had been made between Pretoria and the Marxist regime in Angola and this opened the possibility for further talks.

There was no explanation whether the contact was at a Government-to-Government level or between officials across the border between Angola and Namibia.

Official South African sources said earlier that an advance party of Cuban and Angolan troops had reached Caluque and Rudenau, site of the Cuenene River hydro-electric project which South African forces had been guarding before they were withdrawn on March 27.

Agencies

New Zealand protest over nuclear tests

NEW ZEALAND Prime Minister Robert Muldoon will protest to the French Government at the resumption of the nuclear test programme in the South Pacific when he visits Paris next week, a spokesman for Mr. Muldoon said today. But he added there was a limit as to how far the protest would be pressed because of New Zealand's trading relationship with France and the European Economic Community.

The spokesman said Mr. Muldoon also realised that the French had committed themselves to heavy expenditure in setting up facilities to continue the test programme underground.

The National Party (Conservative) Government protest is in line with the policy of previous New Zealand Governments since France began its nuclear tests in the area first in the atmosphere about 10 years ago, but is apparently not as strong.

Reuter

Bahrain phase-out

THE STATE department confirmed yesterday that the Bahrain Government has informed the United States that it would phase out in 1977 the use of its naval base facilities by the U.S. Navy's Middle East force, UPI reports from Washington. A State Department spokesman said that the U.S. is consulting with the Bahrain Government on the matter "in the spirit of the close and friendly relations that have existed between our two countries over many years."

Bombay election

INDIA'S RULING Congress Party candidate was defeated yesterday in a contest for Mayor of Bombay despite a court ruling which prevented seven opposition councillors from voting. Reuter reports from New Delhi. The Supreme Court ruled that the councillors, detained under India's emergency regulations, were held under a valid order and had no right to be released from jail to cast their votes. The opposition candidate was elected Mayor by 85 votes to 63 over the Congress party candidate.

JAPANESE INDUSTRY

Census shows up ravages of recession

BY PETER DUMINY

RAVAGES of the recession and structural changes in the manufacturing sector are revealed by Japan's 1975 industrial census, showing falling employment in a reduced number of factories since the previous count in 1972.

The census was taken last May, and showed that Japan had 4,629 fewer manufacturing establishments than in 1972—a decline of 6.5 per cent. This compares with official estimates of a 4.8 per cent. increase over the previous three years. The census figures give a 8.5 per cent. fall in industrial employment, with sharp contrast with the earlier postwar trend in which manufacturing was the main provider of gainful employment as well the main engine of Japanese growth. The biggest shake-up occurred in textiles, in one section of which (lace-making) a third of firms and 38 per cent of workers disappeared, and which in aggregate emerged with 930 fewer establishments (5,671).

Steel reflected consolidation, with 168 firms disappearing (leaving 2,004), but employment rising by 3.5 per cent to 491,000. In metalworking the number of establishments shrank by 1,036 to 5,780 and there was a 30,000 to 604,000 drop in the labour force. In electrical machinery and appliances, 15.5 per cent fewer were employed (leaving 1,06m.).

Since last November, industrial production has again been coming out higher than a year ago (8.5 per cent higher in January). However, output is still 16 per cent below the seasonally-adjusted peak touched in November, 1975. Over the last year as a whole, manufacturing output was down 13 per cent compared with 1974 and 15.3 per cent compared with 1973.

In line with this, the number of full-time employees (so-called regular workers) in manufacturing dropped by 429,000 last year to a monthly average of 7,65m., the lowest since 1968 (in the case of Bank of Japan figures). As Japanese employers do not normally lay off regular workers, the main reason for the drop are to be sought in a combination of retirements and non-hiring failures, or mergers. There were 24,281 bankruptcies in the corporate sector in 1974 and 1975, a jump of more than 50 per cent from the previous two years.

Drastic as the retrenchment process was, by Japanese standards, it still left most manufacturers complaining of over-staffing. According to a survey by the Economic Planning Agency, also released today, more than two-thirds of manufac-

turers of pulp and paper, cement, glass, steel and non-ferrous metals listed on the three main stock exchanges report having more workers now than they need, along with the expectation that it will be another year at least before the position is rectified.

Another facet of the same phenomenon comes from the finding of the Japan productivity centre that productivity of the average Japanese factory worker declined in 1975 for the first time in 17 years. The drop averaged 51 per cent for all manufacturing, and was most serious—more than 7 per cent—in metalworking (other than steel).

oil and coal products and chemicals. This no doubt reflects a combination of underemployment of manpower plus non-application of capital on the traditionally massive scale.

Sihanouk resignation as Head of State accepted

PRINCE NORODOM Sihanouk today resigned as Cambodia's Head of State after nearly a year of uneasy co-existence with the country's rulers, the communist-led Khmer Rouge.

The 53-year-old Prince announced his decision, which he said he had taken in principle six years ago, over Radio Phnom Penh, monitored here.

Radio Phnom Penh said the Cambodian Government had accepted his request.

The Radio quoted Prince Sihanouk as saying: "I am convinced that our people and revolutionary organisation have fraternal understanding toward me and... I request them to allow me to retire as of today."

From Moscow, Reuter says the Soviet News Agency Tass reported today that Cambodia's Deputy Premier and Commander-in-Chief, Khieu Samphan, had taken over as Head of State.

In a dispatch from Hanoi, Tass said that was announced over Phnom Penh Radio by Agencies.

Democrat Party likely to lead Thai coalition

A VIABLE coalition Government seemed likely for Thailand as inter-party bargaining started today after an election in which the Democrat Party and other established conservative groups scored big gains.

Mr. Sawi Pramoi, 70-year-old veteran of two brief terms as Premier, looked certain to lead the new coalition after his Democrat Party, the country's oldest and biggest, surpassed all expectations in yesterday's poll.

The Democrats won 115 of the 279 seats in the National Assembly, compared with the 72 they took when they emerged as the biggest party in the last elections 15 months ago.

Mr. Sami would be replacing Mr. Kukrit, who led his coalition to victory in 1973.

Mr. Kukrit, who led his coalition to victory in 1973, was confident of the future of Thailand's democratic movement, which began after a student-led uprising toppled a long-reigning military regime in October, 1973.

Syrian regulars 'in Lebanon'

BY HSN HIAZI

BEIRUT, April 5.

SYRIA is establishing a gradual military presence in Lebanon through Saiga, the organisation of Damascus controls within the ranks of Palestinian guerillas.

The leader of the Left-wing forces, Mr. Kamal Jumblatt, has charged that these are Syrian regular troops disguised in Saiga uniforms. He said that so far 2,000 of these regulars had entered Lebanon from Syria and occupied the main sea outlets.

Saiga reinforcements have come from across the border at intervals during the past two weeks. Leaders of the organisation insist that these are Palestinian commandos and categorically deny that they are Syrian regulars. Informed sources pointed out that Saiga in effect is the Palestinian branch of the Syrian armed forces.

The Syrian military moves appear to have the implicit support of President Suleiman Frangieh, and are not necessarily opposed by the U.S. in its special envoy here, Mr. Dean Brown, has been conducting contacts which were said to be running parallel to the Syrian mediation for ending the Lebanese crisis.

Sources close to President Frangieh were quoted in the Press today to have said that Syria will revive its political initiative here after Saiga had

established control over the sensitive areas in and around the capital, especially around the parliament building in the downtown area.

Because of the deteriorating security situation the house has not been able to meet to prepare for the election of a successor to President Frangieh. Informed sources do not expect the legislature to convene before the rival factions agree on the next

ISRAELIS COOL TO N-ARMS REPORT

TEL AVIV, April 5.

The newspaper Ma'ariv said today American Press disclosures of Israel's nuclear capability were aimed at justifying Washington's new policy of arming the Arab countries. Commenting in an editorial on a report in Time Magazine that Israel had an arsenal of 13 locally made nuclear bombs, Ma'ariv said the "disclosures" were a mixture of speculation, political gossip and partial information. This should be viewed against the background of the intensive propaganda campaign which U.S. Administration officials had lately been carrying out in favour of American arms supplies to the Arab countries.

Reuter

President. Heavy Syrian pressure, including a blockade on arms shipments via Syrian territory, forced the leftists under Mr. Jumblatt to agree to the limited truce, which entered its fourth day today.

Meanwhile, former premier Saeb Salam was quoted in the Press here to have said that Syrian leaders insisted on backing Mr. Elias Sarkis, the governor of Lebanon's central bank, to succeed Mr. Frangieh.

Mr. Salam, who visited Damascus on Saturday and held talks with President Hafez Assad is supporting another candidate, Mr. Raymond Edde, the leader of the national bloc party.

L. Benet writes from Tel Aviv: In spite of the fact that Damascus did not react officially to the claim by Mr. Jumblatt that Syrian forces were in Lebanon, the conviction is growing in military circles here that some Syrian regulars are, in fact, there. Observers said they believed that Damascus was deliberately silent in order not to provoke Israeli reaction.

At the same time it is thought that the Syrian presence so far is not a massive one but is mainly at PLA and Fatah command level. Certainly no change is so far observable along the Israeli-Lebanese frontier, and it is this which counts here.

Guerillas 'weakening' in Eritrea

BY A CORRESPONDENT

ADDIS ABABA, April 5.

THERE ARE strong indications that the Ethiopian Government is making considerable progress in its 14-year war of attrition in Eritrea against secessionist guerillas of the Eritrean Liberation Front (ELF) and the Popular Liberation Front (PLF).

The Government news agency has reported that Osman Abdela Keka, described as "the ring-leader of a group of bandits running a clandestine training camp" for guerillas from two small Red Sea islands off the Eritrean coast, had been executed by firing squad. He was said to have been running the camps for the past seven years.

Following what was obviously a major breakthrough in pene-

trating ELF-PLF security, the Government also announced that "ten other bandits"—the official phrase used to describe ELF guerillas—"guilty of duping youngsters into joining the training camps" had been sentenced to prison terms of between five and 25 years.

An Italian national, Debinio Ernesto, described as the manager of the Asmara branch of the Savon and Ries company, was sentenced to life imprisonment with hard labour. Ernesto was said to have assisted in the setting-up of the training camps between 1968 and 1974. Another Italian, Margo Salvatore, was deported after the military tribunal found him guilty of playing a "minor role" as an "accomplice of the bandits."

He is said to be both elderly and in poor health.

The Government has also been able recently to announce the reopening of rural roads in Eritrea closed for the past several months in attempts to curb guerilla movements. Buses, lorries and private vehicles are now able to move freely even though the martial law administrator and armed forces commander in Eritrea, Brig-Gen. Getachew Nadeu, said "bandits and saboteurs" were still operating. The move is a popular one which will have increased the Government's standing in the eyes of the rural Eritrean population who have bitterly resented the road closures.

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- ★ Maximum allowable dividend to be paid.
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- ★ Better trading conditions foreseen towards the end of 1976.
- ★ Major capital expenditure programme planned to increase capacity for the upturn and expected growth in overseas markets.

Summary of Group Results for the Year

	1975 £'000	1974 £'000
Sales	20,517	19,861
Profit	963	1,144
Taxation	487	581
Extraordinary Item	35	—
Profit attributable to Stockholders	441	563
Dividends on Ordinary Stock	310	291
Profit retained	131	272
	Pence	Pence
Earnings per Stock unit	4.4	5.2
Dividends per Stock Unit	2.87	2.69

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هكذا من الأجل

EUROPEAN NEWS

Security guard for Sadat on Rome visit

ROME, April 5.

EGYPTIAN President Anwar Sadat flew into Rome from Paris today to meet Italian Government leaders and Pope Paul, guarded by 4,000 special police and carabinieri.

Mr. Sadat, the first Egyptian President to officially visit Italy, is expected to continue his campaign of seeking European recognition of the Palestine Liberation Organisation (PLO) as a legitimate participant in Middle East peace negotiations.

President Sadat, accompanied by his wife and Egyptian Foreign Minister Ismail Fahmy, was greeted at Ciampino military airport by Italy's President Giovanni Leone and Foreign Minister Mariano Rumor.

Some of the tightest security precautions seen in Rome were provided for the arrival. As well as the police and carabinieri, several marksmen were stationed on roofs around the Quirinale Presidential Palace in central Rome to protect President Sadat from possible attack.

Tonight, he will start his talks with President Leone and attend a banquet at the Palace. He will meet Prime Minister Aldo Moro tomorrow.

● Egypt is potentially the highest growth area in the world over the next decade, a report by the Geneva-based Business International has said. But it is strangled by a shortage of foreign exchange and hindered by a bureaucracy that has not fallen in line with the country's move away from a socialist economy to a mixed one in which the door to foreign investment will be open, the report says.

In its bid for rapid growth, Egypt is very actively soliciting foreign capital and technology, offering some of the most attractive incentives in the Middle East. However, the report warns that as growth in revenues from the Suez, from a booming tourist industry and from oil to relieve the country's financial penury, Egypt's asking price for foreign participation in its economy may rise.

Oil fire

At least five people died and many others were believed injured when a fire raged through a large oil refinery at Dange near the French Atlantic port of St. Nazaire yesterday, reports Reuters from France. The fire was set off by an explosion. Its cause was not immediately known.

Spanish CDs plan to unite and join opposition alliance

BY ROGER MATTHEWS

MADRID, April 5.

THE POLITICAL policies of the Spanish Government have suffered a further blow with the decision of two Christian Democratic parties to unite and seek membership of the Democratic Co-ordination, the new alliance of Left-wing and middle-of-the-road parties.

Instead of isolating the Communists, which is central to the overall scheme of Interior Minister Manuel Fraga, recent Government action, particularly the arrest of leading Left-wing politicians, seems to be a unifying factor for opposition organisations.

After two week-end conferences the Left-wing Christian Democrats, led by former Education Minister, Sr. Ruiz Jimenez, and the more middle-of-the-road Popular Democratic Federation, headed by Sr. Jose Maria Gil-Robles, decided to merge and, under certain conditions, join the Democratic Co-ordination.

The main conditions posed by the Christian Democrats were that the 13-party alliance should formally renounce violence as a means of establishing democracy in Spain and that membership should be open to all parties. The Left-wing Christian Democrat Party was one of the signatories to the document setting up the Democratic Co-ordination, a decision ratified by the party at the week-end.

However, the merger decision provoked the appearance of a splinter group in the Ruiz Jimenez party which stated that it was breaking away because the overall aim should be to unite all Christian Democrats before

making alliances with other parties. The breakaway group, which is headed by Sr. Alvarez Miranda, also claimed that there were people whose political views were closer to Socialism than to Christian Democracy.

Meanwhile, the Supreme Court in Madrid confirmed prison sentences of up to five years on members of the main

Spain's National news agency CIFRA yesterday reported a mass breakout of prisoners from the maximum security penitentiary of Segovia where many foes of the regime are serving sentences. At the same time, the Interior Ministry announced the arrest of 50 alleged members and helpers of the Basque separatist organisation ETA.

CIFRA reported that 18 prisoners broke out of the Segovia jail yesterday afternoon but said no further details were available. It is not known whether any political prisoners were among them. The capture of the 50 alleged ETA supporters brought to more than 300 the arrests of political militants in the past seven days.

years on members of the main Socialist party (PSOE), the trade union arm of that party (UGT) and the Basque Communist Party. They had been found guilty of illegal assembly and of organising strikes in the North. Among the five is the respected Socialist trade union

leader Nicolas Redondo, who was sentenced to two years and six months.

Madrid police said this morning that 24 people were arrested on Saturday night during demonstrations in the city and that 64 were still being held. Among those at police headquarters were Prof. Ramon Tasanues, the economist, and leaders of parties within the Democratic Co-ordination. Communist Party sources claim that Sr. Fraga is so infuriated by the formation of the alliance that he is mounting a full-scale campaign against the organisation.

Police were also active this morning in breaking up groups of telephone workers staging sit-in strikes in company buildings in Madrid and Barcelona. The three-day-old stoppage appeared to be almost solid in Barcelona, with an important number of Madrid staff also out. Similar reports have also come in from provincial centres, where telephone services were also badly affected.

In the Basque country the family of an industrialist kidnapped a fortnight ago by the separatist faction ETA have been told they have 48 hours to meet the \$1.5m. ransom demand. The ETA has threatened the industrialist with death. Last week Sr. Fraga forbade any negotiation with kidnappers and threatened heavy punishment to anyone handing over ransom. There was another bomb attack in the Basque country early to-day when what is understood to be an extreme Right-wing group blew up the house of a brother of an ETA leader.

Hijacking embarrasses Lisbon

BY PAUL ELLMAN

LISBON, April 5.

PORTUGAL'S military leadership was meeting this evening to try to resolve a potentially embarrassing situation created by the hijacking by a Cuban soldier of a Portuguese airliner in Angola.

The soldier, Private Carlos Manuel Molina Alvaral, took over the airliner while on duty at Luanda Airport yesterday.

The incident has provoked a sharp response from the Cuban Embassy here which has urgently requested a meeting with the Secretary of State for Foreign Affairs. The Portuguese Government has maintained a close silence over the soldier's action, but has let it be known that it was leaving their final decision over Molina's request

for political asylum to the Revolutionary Council of the Armed Forces.

Ironically, relations with former Portuguese colonies were scheduled to be the main item on the agenda of this evening's council meeting. Another point expected to be raised is the scattered violence over the week-end as the campaign for the country's first free parliamentary elections in half a century officially got underway.

A bomb exploded outside a rally organised by the Conservative Social Democratic Centre Party (CDS) in the central city of Coimbra and stones were thrown at cars carrying CDS militants. Reuters reports from Vienna:

The Portuguese Prime Minister, Admiral Jose Pinheiro de Azevedo, today met Austrian Chancellor Bruno Kreisky and President Rudolf Kirchschlager on the first day of an official visit.

Accompanied by Foreign Minister Ernesto Melo Antunes, Admiral Pinheiro de Azevedo paid a brief courtesy call on the Chancellor, then had a luncheon meeting with Dr. Kirchschlager. Government sources said the Portuguese Prime Minister and Dr. Kreisky were going to meet again this afternoon. Their talks are expected to centre on bilateral economic relations and the international political situation.

W. German metal workers get 5.4% rise

Employers and the I.G. Metall trade union said yesterday that they had agreed on a 5.4 per cent wage rise backdated to January 1 for the 1.1m. metal workers in the state of North Rhine-Westphalia.

The deal follows arbitration and includes an extra one-day holiday and increased training allowances.

I.G. Metall also announced on the week-end agreement on pay increases of 5.4 per cent for metal workers in the Saarland and the South Baden region from April 1, plus a payment of DM330 (about \$83) to cover the previous three months.

Swiss oil use down

Switzerland's total consumption of energy declined by 2 per cent in 1975, largely due to the recession, the federal Energy Office said yesterday, reports AP from Bern. Consumption of oil products as a whole declined 3.1 per cent and of heavy oil for industry by 4.7 per cent. The oil products share in total energy was 76.4 per cent. Electricity consumption as a whole was down 0.5 per cent and by industry 5.8 per cent. Electricity made up 17.8 per cent of total energy.

Housing strategy

Developing countries must establish new housing programmes integrated in overall development schemes to cope with the tremendous challenge of population explosion and massive migration from rural to urban areas, the International Labour Organisation (ILO) said in Geneva yesterday, UPI reports. "What is needed to meet this tremendous challenge is an overall development strategy geared towards the fulfilment of basic human needs," the ILO said in a study to be examined at the world Employment Conference next June.

Belgian spending cut

The Belgian Cabinet has agreed on measures to reduce Government spending by B.Fr.23m., according to ministers. Reuters reports from Brussels: Under the measures, the state will no longer pay for the losses of state-owned corporations which, from now on will be held to be financially accountable for their operations and will have to cover any deficit from their own resources rather than the national budget.

Fiat fire damage

Full activity was resumed yesterday in the Mirafiori factory of the Fiat auto maker in Turin despite heavy damage caused to the east and tyre division after a large fire on Saturday, reports UPI. The big fire, which caused damage estimated at Lira 12m. or \$500,000, was apparently started by phosphate bombs placed by a terrorist group called the Red Brigades.

Palme in Moscow

Swedish Premier Olof Palme arrived in Moscow yesterday for a five-day official visit expected to focus on economic issues, reports UPI. Swedish officials said Palme was expected to sign a trade agreement to replace an earlier pact at the close of talks to-morrow. The officials said there is a possibility Palme may meet Soviet leader Leonid Brezhnev.

Iceland complaint

Iceland has complained to the UN Security Council that British naval action in Iceland's fishing limits remained "as extensive and aggressive as ever before," reports Reuters from the UN. Iceland's Ambassador Ingvi Ingvarsson said in a letter to the Council's President that if anything British naval activity off the coast of Iceland had recently increased.

Policy doubts for Schmidt after setback at polls

BY ADRIAN DICKS

BONN, April 5.

CHANCELLOR Helmut Schmidt or his well-publicised contribution to the campaign, Dr. Kohl and his Free Democratic coalition partner, Herr Hans-Dietrich Genscher, seem likely to face a period of increasing pressure from their parties to take fresh policy measures that might overcome the effects of yesterday's poor showing in the Baden-Wuerttemberg State election.

Exactly six months before the Bundestag election in October the SPD and FDP have been put on the defensive, and will need now to keep their nerve if the coalition itself is not to come under even greater strain.

In contrast, the Christian Democratic opposition, which has consolidated its control of the Baden-Wuerttemberg State Assembly with a record 58.7 per cent of the popular vote, is looking increasingly strong. Its leader, Dr. Helmut Kohl, appears at least for the time being to have united the party behind him and to have made an excellent personal impression with the voters.

CDU's victory comes at the end of a steady run of gains in State elections during the past two years. With the exception of Schleswig-Holstein 12 months ago, the party has now increased its share of the popular vote in every State since March 1974.

Dr. Kohl somewhat cautiously called the Baden-Wuerttemberg results: "A good starting-point for the coming autumn" and said the party was far from the open endorsement of some complacent but the group of

BADEN-WUERTTEMBERG RESULTS		
Party	Share of popular vote	Gain/Loss
CDU	58.7	+3.8
SPD	32.5	-4.3
FDP	7.8	-1.1
Others	2.0	

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£90m. Saar steel plan

BY GUY HAWTIN

FRANKFURT, April 5.

A MAJOR new steelworks is to be constructed in the Saarland, one of West Germany's most heavily depressed areas. The new works, which will employ the oxygen conversion process, will cost about DM450m. (not far short of £90m.).

The decision was announced today by the Saarland's leading steel concern, the Saarland Steel Works, which is commissioning at the turn of 1979-80 the closure of two existing works, one of which must shut down on environmental grounds.

West German orders increasing

BY ADRIAN DICKS

BONN, April 5.

NEW ORDERS for German industry increased by a seasonally adjusted 1½ per cent during February, the Economics Ministry reported to-day. Compared to the previous month, order book increased only 7.5 per cent, while the level of output rose by 3.4 per cent. January, while February's foreign orders slipped back by 3 orders were up by only 5.5 per cent. The overall order book cent.

Danish deficit likely to grow

BY HILARY BARNES

COPENHAGEN, April 5.

DENMARK'S three wise men, in 1976, they expect the GNP to rise by 4.8 per cent this year, the joint chairman of the Economic Advisory Council, have forecast that Denmark's current balance of payments deficit will rise from Kr.4.3bn. last year to an average level of 5.2 per cent of the total labour force in 1976 (about 5.4 per cent of forecast GDP) and the to 5.9 per cent this year and 5.8 per cent next year.

The forecast was made in a incomes policy measures will new survey of the economy, succeeded in holding wage increases down to minimal levels in the rate of inflation (measured for the Gross National Product) from 12 per cent last year to 8.9 per cent in 1976 and 1977 and 5.5 per cent the chairman.

Turkish-Soviet river agreement

BY METIN MUNIR

ANKARA, April 5.

TURKEY and the Soviet Union today signed an agreement here on the construction of a joint irrigation dam on the Rappazay and west of the border of an River which constitutes their equal basis. The project may be joint border in Northern Turkey. The dam, which will have a water storage capacity of 525m. cubic meters, will cost about \$17m. and be completed in 55 months. The water will be used on the construction of a joined irrigation dam on the Rappazay and west of the border of an River which constitutes their equal basis. The project may be joint border in Northern Turkey. The dam, which will have a water storage capacity of 525m. cubic meters, will cost about \$17m. and be completed in 55 months. The water will be used on the construction of a joined irrigation dam on the Rappazay and west of the border of an River which constitutes their equal basis. The project may be joint border in Northern Turkey. 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EUROPEAN NEWS

EC Ministers call for control of farm spending

GINALD DALE, COMMON MARKET CORRESPONDENT

RS from a number of generally cool reception, with ntries to-day called for France particularly hostile. Mr. control over the Com- Joel Barnett, Chief Secretary to agricultural spending— the Treasury, said he agreed subject to a number of with the German aim of cutting back farm spending, although session here. Foreign he did not fully agree with the the Ministers were method proposed. Mr. Barnett jointly for their first political review of the method proposed. Mr. Barnett's political review of the method proposed. Mr. Barnett's political review of the method proposed.

Germany and the ands all called for closer of budgetary spending. only Italy went as far as to say that some of the might be set for the farm EEC funds, called for use of no more than 10 per cent in next year's total.

German delegation was concerned that priority be given to policies that European integration. out that the EEC could not possibly satisfy demands on it. For the Mr. Roy Hattersley, of State at the Foreign and the main aim should be to ensure economic convergence between the different states' economies. took a firm line against ing of ceilings on farm so long as the CAP is its present form. Dr. FitzGerald, the British Minister, attacked the for its "derisory" in promoting integration. 10 per cent limit pro Germany received a system.

The E.E.C. unit of account

The money trinity

BY DAVID CURRY IN LUXEMBOURG

F THE problems raised rency dislocation which forced itself on to the of EEC Finance is that of reassessing den borne by each state the Common Market in light of both parity and shifts in economic which they indicate. xus of the argument over re-assessment is the fate Community's own money unit of account. Although t of account manifests it a variety of parties, there e manifestations in par- which are central to the handling of community. These are the budgetary i account which bears up n to market values; the account composed of a of EEC currencies which a weighted average of value; and in between the "green" currencies the common agricultural

et parity at

nd of March

udgetary unit of account the pre-Smithsonian or dollar. It corresponds to 7 (almost 42p) or or L225. The market t the end of March was 10.585 or DM2.873 or

unity income derives o main sources: "own" and national financial ions. This year some cent. will be the former per cent. the latter. Own e customs duties and ies collected on trade d countries by national authorities and handed the EEC. From 1971-75, al six members made, and restore a good proportion of the cuts. Germany has had her request for the use of updated parties on the old GNP key for the 1977 budget turned down by the Commission on the grounds that, a subject to limitations, it would dislocate revenue. The ference between income Commission also rejects revising resources and the both parties and GNP key for

He said that under Britain's interpretation of the new system, the U.K. should then be "slightly better off." Germany, which is penalised by the outdated exchange rates currently in use, insisted to-night that the new unit be introduced in next year's budget, but Mr. Barnett seemed likely to get his way. He said he agreed with the Commission's view that in any case there is not enough time left to introduce the new unit in 1977 and said that he had only accepted 1978 on condition that Britain's interpretation of the new rules was accepted.

The ministers should try to ensure that spending from the social and regional funds and the structural section of the farm fund was all devoted to the same objectives, Mr. Hattersley said. He suggested that similar political examinations of budgetary policy, first called for by last December's Rome summit, should be repeated in future. The British delegation also said the U.K. could agree to renewed efforts to harmonise the basis on which value added tax is levied in all nine countries, provided exceptions to the rules were not excluded. The main point appeared to be that while ready to go along with harmonising the incidence of the tax, the U.K. is not yet ready to consider harmonising the whole system, including VAT rates.

Butter subsidy Page 33

THE RIOTS IN PEKING

THE RIOTING in Tien An Men Square in Peking yesterday is an astonishing outbreak of violence in the political campaign against vice-premier Teng Hsiao-ping, which has so far been confined to the Press and to posters. There has been no comparable violence in Peking since the early days of the Cultural Revolution, and that in any case was directed mainly against foreigners. Although two editorials in the official Peking newspaper, the People's Daily, have recently urged that control should be maintained in the conduct of the campaign, there has been no sign that feelings would boil over into this type of demonstration. Perhaps even more significant, observers can not recall any other occasion when the name of Mao Tse-tung's long-dead second wife appeared, as it did on memorial wreaths yesterday, as an apparent criticism of his fourth wife, Chiang Ching.

While the demonstration on Sunday was peaceable enough, yesterday's apparently broke into violence when the wreath-layers objected to having their moments removed. On the whole the people seem to have been united in their support for the late premier Chou En-lai, and the hostility was directed towards officials trying to restrain them though one student from Tsinghua university, which has been prominent in the attack on Vice-Premier Teng, was beaten up. The crowd seems to have been a mixture of workers and students, some of them still at school, but how they came to be free to gather in the square is something of a mystery.

Spontaneous demonstrations are almost unheard of in Peking, though the fact that the first one took place on a Sunday would have meant that many people in the parks would have been able to gather readily in Tien An Men. However, the references in the slogans displayed on Sunday were clearly hostile to the radicals, particularly to Chairman Mao's wife Chiang Ching, who has been prominent in the anti-Teng campaign. The impli-

The pot boils over

BY COLINA MacDOUGALL

tion must be that powerful figures old scores. The Red Flag included demonstration their blessing, if Premier Chou in a reference to despite their lack of influence they did not actually inspire it. Sunday's readings from Teng Hsiao-ping's oration at the funeral service for Premier Chou suggests strong support for the policies of both men. In the meantime the Press cam-



Chou En-lai

Teng Hsiao-ping

Hua Kuo-feng

aign against Teng has become mayor of Peking, who appealed short cut open to the Chinese still fiercer in the last few days, for calm after demonstrators The "mass criticism group" of looked on office and threw papers Peking and Tsinghua universities down into the fires in the square — is suspect. The egalitarianism since the power the army acquired as a result led to grave political problems. How the present situation will resolve itself remains to be seen; yesterday's troubles may remain an isolated example. Yet with the escalation last week in the Press of the campaign against Vice-Premier Teng the outlook is ominous unless the demonstration of support for Chou's policies yesterday are enough to produce a compromise.

want to use military methods, though in fact this recourse is always open to them since there is a large garrison in Peking. The normal public security officials seem to have been inadequate yesterday, though this perhaps was because the degree of violence was unexpected. Workers' militia teams operate within factories on guard duties and firefighting but they are unaccustomed to dealing with civil disturbance. Chinese leadership relies strongly in normal times on social pressures to conform and the system works because of the ancient tradition to do so.

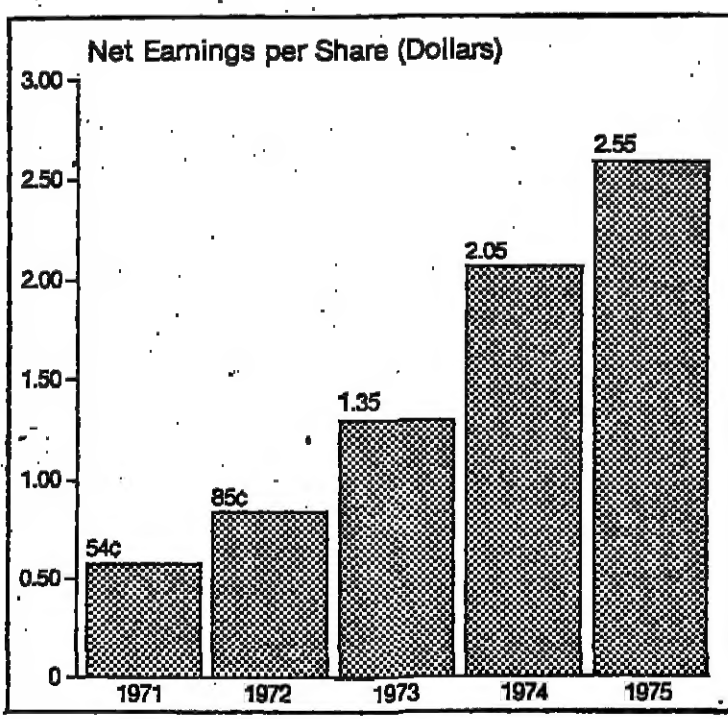
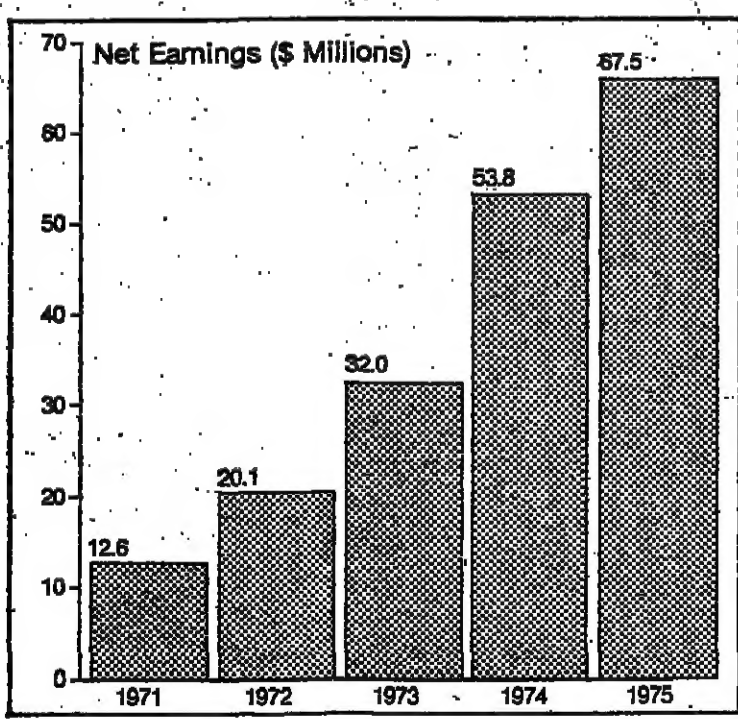
What part, if any, was played in yesterday's troubles by Hua Kuo-feng, who until his unexpected look on the job of acting premier in February was the minister of public security is unknown. Hua may still be in charge of security since there has been no announcement of another appointment. His political allegiances are unknown, though he earned promotion in the Cultural Revolution which suggests he may be hostile to Teng. Who gives orders to the army on this kind of occasion is also far from clear: much of the senior army leadership is based in Peking, and it includes men of varying political colours, including Teng himself as Chief of General Staff. The leanings of the Peking commander, Chen Hsi-shen, who is a vice-premier and senior party leader, are unknown.

In the Cultural Revolution the leadership was finally obliged to call in the army to restore control. In any large-scale disturbance it would probably have to do so again, though reluctantly since the power the army acquired as a result led to grave political problems. How the present situation will resolve itself remains to be seen; yesterday's troubles may remain an isolated example. Yet with the escalation last week in the Press of the campaign against Vice-Premier Teng the outlook is ominous unless the demonstration of support for Chou's policies yesterday are enough to produce a compromise.

IN SPITE OF TOUGH ECONOMIC CONDITIONS IN 1975...

NORTHERN TELECOM ANNOUNCES RECORD SALES AND PROFITS FOR THE 3RD STRAIGHT YEAR.

'75 Total Sales pass Billion-Dollar Mark
'75 Net Earnings Increase 26 percent



While for much of the world's industry 1975 was a year they would rather forget, for us it was another good year. It was the third year in succession in which we achieved record sales and record earnings. It was our first billion-dollar sales year. Sales reached \$1,018.4 million, five percent higher than those of 1974 and 66 percent higher than those achieved in 1973. Net earnings were \$67.5 million, 26 percent higher than those of 1974 and 111 percent higher than earnings of 1973. Earnings per share in 1975 rose to \$2.55 compared with \$2.05 in 1974 and \$1.35 in 1973. We consolidated our position as the second largest manufacturer of telecommunications equipment in North America—the largest outside the U.S. Bell System. We continued to grow and expand. We bought or built six new factories in Canada and the United States. At year-end, we operated 33 factories—24 in Canada, six in the United States and one each in Turkey, Ireland and Malaysia. Our products continued to lead the market in key areas.

The Pulse electronic private automatic branch exchange is the market leader in North America. It is now complemented by our new SL-1 digital EPABX, the first production models of which came off production lines late in 1975. By March we had orders or commitments for 89 systems. The SP-1 electronic central office switching systems continue to outsell all other systems outside the Bell System. To date more than 1.2 million lines of SP-1 have been ordered in North America and some 600,000 lines are in service. We completed, and cutover, the first link in the world's longest commercial digital cable transmission system, using our LD-4 high-capacity coaxial cable. LD-4 is designed to provide circuits for over 20,000 simultaneous two-way telephone conversations or a mix of TV, data and voice traffic. Those are but a few of the highlights of Northern Telecom's 1975. If you would like to read more and get to know more about us, send for our annual report. Write, Roy T. Cottier, vice-president, corporate relations, Post Office Box 6123, Montreal, Que. H3C 3J5.

All figures reported are in Canadian dollars.



northern telecom

NORTHERN TELECOM LIMITED, MONTREAL, QUEBEC

THE NEW NAME IN WORLD TELECOMMUNICATIONS.

Prior to March 1, Northern Telecom Limited was known as Northern Electric Company, Limited.

Alitalia means business in Italy.



No-one else flies so often to Rome and Milan and p you so much once you arrive. Alitalia offers you services to 8 Italian cities from London—plus direct to Rome and Milan from Manchester. Really convenient flight times and good connections. A extensive internal air and rail routes. Over 50 offices in Italy to help if you have a change of plan, up-to-date information and instant confirmation too. Fast car-hire and hotel-booking service. Jet-Drive: Self-drive car packages available from all airports. Special plan with 30 Jolly Hotels, giving up to 20% off on their normal tariff. Intermezzo packages in Rome from around £9.00 including passing through on long-distance flights. So if you mean business in Italy choose the airline that makes it easy. Alitalia Means Business in Italy.

Common agricultural policy money

The working currencies of the farm or "green" sector are "green" pounds, D-Marks or lire. They are the exchange rates at which producer prices, fixed annually in Brussels in units of account, are translated into national currencies. Without such "green" currencies, a revaluation of the D-Mark would mean reduced guarantees in local currency for German farmers and make them vulnerable to competition from French farmers benefiting from a devalued franc. To prevent this happening and to insulate prices from short-term currency movements, the "green" rates are fixed and border taxes and subsidies levied on intra-Community farm trade to compensate for shifts in currency values. These Monetary Compensation Amounts are adjusted weekly.

For the purpose of translating Brussels-agreed prices into sterling guarantee levels to the unit of account is worth £0.569 currently. (One unit of account is worth nearly 57s). Thus if in Germany the local currency price for grain is 10 per cent above the theoretical EEC level, and in Britain 10 per cent below, German grain sold to Britain would attract a 10 point subsidy upon export from Germany and of another 10 points upon entering Britain to bring it down to local levels. Grain going the other way would pay an export tax and import levy at the two frontiers to raise the price in this way the subsidisation of a common EEC market for agricultural produce with real competition between producers is maintained.

The Compensation amounts also apply to imports from outside the Community so "as to prevent shipments from one Community country to another being routed outside the EEC to evade the price-equalisation charges. The examples given are national. In practice, the U.K. producer price is 14 per cent below EEC norm because of the levying of "Adhesion Compensation Amounts" designed in the original entry negotiations to cushion U.K. transition to EEC price levels.

The cost of these levies and taxes is borne by the Brussels Farm Fund and now absorbs at least 10 per cent of the total EEC unit of account farm budget.

The basket or 'new' unit of account

This is market value unit of account used by the European Investment Bank, the Coal and Steel Community and in the Lomé Convention. It is defined, in the first stage, in Belgian francs in terms of weighted basket of EEC currencies and on day 1 of its existence was defined to be worth exactly the same as the special drawing right on day 1 of its existence. The value of the unit of account varies daily reflecting the average value of change in Community currencies.

Some awkward questions our competitors would like us to answer.

Q You've made a lot of claims about the relatively small amount of capital investment needed to re-equip a foundry with cupola plant. Do you have the figures to back up those claims?

Q The problems of wet, dirty or oily scrap are well-known to the foundry industry. Why should your fuel be able to cope with them any better than any other fuel?

Q Is foundry coke really the most efficient form of fuel?

Q The coal-mining industry isn't the most stable industry in this country. To put it bluntly, can you guarantee supplies?

And the answers they didn't expect us to give in public.

A The facts are simple. To install a cold blast cupola costs about £5 per ton of annual melting capacity as against £15 for other melting systems. In these days when capital is scarce it's worth bearing these figures in mind.

A Coke-fired cupolas can accept a wider range of scrap than any other foundry melting plant. In fact, many other systems cannot accept oily contaminated or wet scrap without costly treatment because of the dangers of explosion when charging. And of course, foundry coke plays an important function in the furnace that other fuels cannot do. During the melting process the metal and coke are in direct contact and the carbon provided by the coke contributes to the final composition of the molten metal.

A Certainly some other systems use energy more efficiently. But, only when they have a constant work load over an extended period to offset the possible maximum demand charges imposed with other fuels. With today's uncertain economic climate, it's very unlikely that anyone can guarantee such a steady supply of work.

A To answer bluntly, no industry connected with energy supply can ever be completely stable again. Looked at in this context, foundry coke is a safe form of energy. Because you can build reserves. Because Britain has enough coal for foundry coke-making to last far into the future and most importantly, because, by agreement with the Council of Iron Foundry Associations, adequate stocks of foundry coke are maintained at the ovens, so foundry coke represents "energy stock".

Additionally, National Smokeless Fuels are pioneering new coke making techniques, thus guaranteeing the availability of good quality foundry coke when traditional coking coals are less readily available. If you have any questions you'd like answered about foundry coke, contact Mr. J. D. Hill, National Smokeless Fuels Ltd., Coal House, Lyon Road, Harrow Middlesex HA1 2EX (Tel. 01-427 9001). Once you've heard the answers we think you'll agree, National Smokeless Fuels, by supplying the energy to produce 90% of all Britain's iron, is the hidden power behind Britain's industry.

National Smokeless Fuels Ltd.
The Hidden Power Behind Britain's Industry.

HOME NEWS

APPOINTMENTS

are
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alings

RGARET REID

ENGAGED in foreign dealing in Britain is asked to tell the Bank of England of any change in the value of the pound sterling. The bank has contributed to the currency's stability in the past, but it is now faced with a new challenge. The pound is under pressure from a variety of factors, including a strong dollar and a weak economy. The bank is now required to report any change in the value of the pound to the Treasury. This is a new requirement, and it is expected that it will lead to a more stable currency.

150 banks concerned being requested to be watchful for currency orders involving unusual rates outside the normal range. In particular, the bank is concerned about the possibility of a sudden change in the value of the pound. It is asking banks to be alert for any unusual activity in the foreign exchange market.

oride chief
s for Price
le changes

lan Hamilton

HER VOICE was added to the growing chorus of economists demanding a radical change in the way the price of money is determined. The current system, which is based on a fixed exchange rate, is seen as outdated and inefficient. Economists are calling for a more flexible system that would allow the pound to fluctuate in value. This would help to stabilize the economy and reduce the risk of a sudden devaluation.

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rers
h up row

Shipping Correspondent: OF Britain's maritime market made further gains yesterday, towards an important policy when it was announced by the Committee, which has been set up to advise the government on maritime matters. The committee's report is expected to lead to a number of changes in maritime law and regulations. This is seen as a positive step towards improving the maritime industry and ensuring the safety of shipping.

IS CUP TENNIS

ytor gives U.K. victory over Swiss

OFTEN before, the able and thrilling spectacle. The cup was won by a 31-year-old player, who was a member of the British team. He defeated the Swiss player in a closely fought match. The victory was a significant one for the British team, as it was their first in many years. The player's performance was praised by his teammates and the crowd.

It was a typically dogged Taylor effort, but now that he has won the cup, he is expected to play at a higher level. The cup is a prestigious trophy, and it is a great honor to win it. The player's victory is a testament to his skill and determination. He is now the champion of the cup, and he will be celebrated as such.

London meeting
bids to reform
EEC buying

BY ADRIAN HAMPTON

THE INDUSTRY sector of the EEC's Economic and Social Committee is to meet in London this week to push for a liberalisation of public sector purchasing practices in the Community in order to develop European-based technology.

The two-day meeting, which starts tomorrow, is part of the general move of the EEC's Economic and Social Committee to develop themes and recommendations on its own initiative. In this case, the committee's industry sector has taken up the theme of developing advanced technology in the Community through a policy of liberalising public purchasing by governments and nationalised industries.

Its move, follows reports suggesting that while intra-Community trade has developed in the private sector, there has been virtually no erosion of national barriers in public sector purchasing policy.

The industry sector, for whom Mr. Basil de Ferranti is the rapporteur, is to consider this week a draft opinion pointing out how important a liberalisation of such trade could be in developing high technology com-

panies or groups in Europe to compete with the Americans. Accepting that the EEC's present directives may not achieve much on their own, the opinion none the less argues that moves to create a greater transparency in the ways in which public sector tendering is carried out could help.

To this end, it urged the use of an improved list system on a Community-wide basis to select suppliers to be invited to tender, reducing the number of tendering procedures and awarding all contracts on the basis of a specified selection of criteria.

It also proposes the publication of contract awards and an arbitration and complaints procedure for contracts.

But, recognising the problems of getting real intra-Community trade under way in this area, the draft opinion suggests moving within certain sectors such as data processing, telecommunications, railways, aircraft and nuclear power, with consensus between customers, industry and the Commission.

The opinion, which is expected to be approved at the London meeting this week, also recommends that special attention be given to the fostering of small and medium-sized companies in tendering procedures.

New forging
machine for
Edgar Allen
steel plant

By Roy Hodson

A NEW forging machine is to be the centre piece of £2.5m. investment plans at the special steel works at Openshaw, Manchester, which is to be expanded by Edgar Allen Balfour Steels.

The company, which has been created from the merger of the Balfour Darwin Group and Edgar Allen and company, is basing its major expansion upon Openshaw with reorganisations at its four Sheffield works.

A horizontal long forging machine has been ordered from GFM of Styr, Austria, and will be the first of its size to be used in Britain. It will be installed next year and will be in full operation by the spring of 1978.

Much work at present carried out by rolling will be switched to the forging machine with a savings in costs and greater accuracy.

The machine will provide additional production capacity to the existing forging and rolling plant at Openshaw, and will enable Edgar Allen Balfour Steels to increase their range of products. Bars of up to 6 metres can be produced quickly and accurately to a great number of specifications by the Austrian machine.

The £2.5m. investment will use up most of the £2.5m. rights issue made recently by the parent company Edgar Allen Balfour. The company also plans to develop a British stockholding and distribution division for special steels.

M & G top American unit trust

BY ERIC SHORT

UNIT TRUSTS that have invested heavily in the American market headed the performance league for the first quarter of this year, according to figures published yesterday by the magazine *Planned Savings*. They occupied nine out of the top 10 places, with a Far Eastern oriented trust in the other place.

The top fund, M & G American, showed an increase of nearly 30 per cent. during the period compared with a rise of 18 per cent. in the Dow Jones average and 8 per cent. in the FT Industrial Ordinary Index.

This is in sharp contrast with the position for most of last year, when Wall Street based funds lagged well behind those

invested mainly in the U.K. These funds reflected the strong recovery in the U.K. equity market in 1975.

The M & G American fund has achieved its success by investing in the well-known blue-chip shares which have formed the basis of many U.S. funds' portfolios. The investment managers of M & G have tried to invest in second-line stocks of companies that are still large by international standards, but are not so well known, such as Bendix Corporation and Midland.

They consider that the recovery in the U.S. economy will be further reflected in higher share prices.

The worst performers this

year are the two Slater Walker mining shares, SW Gold, and General and SW Minerals with falls of 11.3 and 11.6 per cent. respectively. This reflects the dramatic fall in the price of gold mining shares over this year.

However, three months is still a rather short period over which to measure performance. The relevant figures over the past 12 months and 24 months show a very different picture. The trusts which have done best over these periods are, perhaps ironically, the high income trusts where the investment aim has been the provision of income rather than capital growth.

TOP PERFORMING UNIT TRUSTS

(Offer-to-offer price basis, with net income reinvested)

1 month	Gain %	1 year	Gain %	2 years	Gain %
M & G American	29.8	Garnmore High Income	71.6	G.T. Japan & General	122.4
Lawson American	24.1	Frankington Income	63.9	Frankington Income	90.4
Slater Walker M. Amer.	22.1	Scottish Equitable Trust	62.2	Bardley Union. Prof. Ass.	84.1
Hill Samuel Dollar	21.8	A-Hambro Recovery Sies.	61.9	Hill Samuel High Yield	81.8
A-Hambro Secs. of Am.	19.5	Hill Samuel Dollar	61.2	Garnmore High Income	80.8
Stewart American Fund	19.3	S & P High Return	60.9	M & G Extra Yield	79.4
M & G Far Eastern	18.9	Hill Samuel Income	59.4	Hill Samuel Income	77.1
Garnmore International	18.9	British Life Balanced	58.9	A-Hambro Recovery Sies.	76.8
Henderson M. American	18.2	Norwich Union Grp. Trst.	58.3	British Life Balanced	75.7
Graefson Granthamster	18.0	Schroder Wagg Income	57.8	Henderson Far Eastern	75.3

House prices steady although
sales reach high level

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THERE WAS a near standstill in average house prices during the first part of this year, according to the Nationwide Building Society.

This remarkably flat picture is in sharp contrast to the actual level of sales now being experienced in the market. Estate agents have reported a very high rate of transactions in recent months while building societies, despite the heavy flow of funds, say that demand for mortgages is still taking up all the available money.

The societies meet on Friday to discuss a possible reduction in investors' and borrowers' rates, which their present position would justify. But longer-term worries about their ability to attract funds and concern for the investor are dividing societies over such moves.

The Nationwide says that average house prices rose by just 1.5 per cent. in the first three months of this year, a smaller increase than in any quarter during 1975. It calculates that average prices last year rose by about 12 per cent. although some estimates put the figure lower.

On the basis of its transactions, the Nationwide says the rise was

spread right across the housing spectrum. From new and modern houses to older properties, Mr. Leonard Williams, chief general manager, emphasised that prices were still rising very slowly compared with the increases in retail prices or average earnings.

There was still a good supply of houses for sale, both old and new, maintaining a buyer's market. Building societies were now approving loans at the record level of around 800m. a month.

Older properties

Mr. Williams said that his society was lending 55 per cent. of all its advances to first-time buyers, more than ever before. Since the middle of last year, societies had been providing more mortgages on older, cheaper properties to replace the cuts in local authority lending. Most of this activity was being done on a direct basis, rather than through special arrangements with councils, because most borrowers were going straight to building society offices for help.

He was confident that societies would be able to maintain their present high level of mortgage lending during 1976. While the

present stock of new houses under construction was comparatively high—around 215,000—more new starts would be needed as sales increased.

According to the Nationwide's detailed regional survey, the average prices for new and modern, secondhand homes in London and the South-East stood still in the first three months of this year, although prices for older properties went up by about 1 per cent.

Average rises of 14 per cent. for new properties in the region and 11 per cent. for modern secondhand homes were, however, recorded during the year ending in March, compared with a 12 per cent. average in both sectors for the rest of the country. But the average price rise for older properties during the 12-month period was only 5 per cent., compared with 12 per cent. for the U.K. as a whole.

The highest price rises during the first quarter for new homes were registered in Wales, where the average increase was 5 per cent., and Northern Ireland, where a 7 per cent. rise was recorded. For modern and older secondhand homes, the largest increases were in the South and in Northern Ireland (4 per cent.).

It has been a weakness of British Davis Cup strategy ever since the successful ten-year reign of Mottram's father, Tony, with Geoff Paish that Britain has allowed individual tours and the considerations of finance to prevent it from building long-term doubles pairs.

Thanks to Taylor, Britain can expect a run of home ties on grass courts this year, and if ever there was a chance to make a serious challenge for this elusive trophy, not seen here since 1936, then this is it.

BY JOHN BARRETT

ytor gives U.K. victory over Swiss

OFTEN before, the able and thrilling spectacle. The cup was won by a 31-year-old player, who was a member of the British team. He defeated the Swiss player in a closely fought match. The victory was a significant one for the British team, as it was their first in many years. The player's performance was praised by his teammates and the crowd.

It was a typically dogged Taylor effort, but now that he has won the cup, he is expected to play at a higher level. The cup is a prestigious trophy, and it is a great honor to win it. The player's victory is a testament to his skill and determination. He is now the champion of the cup, and he will be celebrated as such.

But Mottram had one of his typical days, and Lloyd was prone to make costly errors on simple shots. Instead of scoring a comfortable win, they allowed the Swiss pair to beat them 10-12, 6-8, 6-3, 6-4.

Had he stopped to consider the implications of a possible doubles loss—which on form was unthinkable—Hutchins might have asked Taylor to forget any tiredness so that the tie could have been won cleanly with Lloyd as his partner.

Taylor is a vastly experienced doubles player, with 11 Open titles to his name—the only British man to figure in the list of the U.S. titles since the war. Lloyd is the most talented doubles player in Britain now, needing only a regular partner

to become a world class doubles player. Looking beyond the present tie to future matches against Romania and, hopefully, France, British still desperately needs a reliable doubles pair. So often in these close ties the doubles match is decisive, and a trial run against Switzerland should have been an opportunity not to be missed.

It has been a weakness of British Davis Cup strategy ever since the successful ten-year reign of Mottram's father, Tony, with Geoff Paish that Britain has allowed individual tours and the considerations of finance to prevent it from building long-term doubles pairs. Thanks to Taylor, Britain can expect a run of home ties on grass courts this year, and if ever there was a chance to make a serious challenge for this elusive trophy, not seen here since 1936, then this is it.

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LEGAL NOTICES

No. 00121 of 1976

IN THE HIGH COURT OF JUSTICE
Chancery Division
The Matter of DRYTT TRACTOR
SERVICES LIMITED (Incorporated in
England) and in the Matter of
The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a
Petition for the Winding up of the above
named Company by the High Court of
Justice was on the 21st day of March,
1976, presented to the said Court by
BROOKS INDUSTRIAL EQUIPMENT
LIMITED (Incorporated in England),
of 10, Abchurch Lane, London, E.C.4,
and that the said Petition is directed
to be heard before the Court sitting
at the Royal Courts of Justice,
Strand, London, W.C.2, on the 10th
day of May, 1976, and any creditor or
contributory of the said Company desiring
to support or oppose the making of an
Order on the said Petition must appear at
the time of hearing, in person or by his
counsel, for that purpose; and a copy of
the said Petition will be furnished by
the undersigned to any creditor or contributory
of the said Company requiring such
copy on payment of the regulated charge
for the same.

Wm. F. PRIOR & CO.,
Solicitors for the Petitioner.

No. 00122 of 1976

IN THE HIGH COURT OF JUSTICE
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Wm. F. PRIOR & CO.,
Solicitors for the Petitioner.

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counsel, for that purpose; and a copy of
the said Petition will be furnished by
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of the said Company requiring such
copy on payment of the regulated charge
for the same.

Wm. F. PRIOR & CO.,
Solicitors for the Petitioner.

No. 00124 of 1976

IN THE HIGH COURT OF JUSTICE
Chancery Division
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SERVICES LIMITED (Incorporated in
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Wm. F. PRIOR & CO.,
Solicitors for the Petitioner.

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Solicitors for the Petitioner.

No. 00125 of 1976

IN THE HIGH COURT OF JUSTICE
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Wm. F. PRIOR & CO.,
Solicitors for the Petitioner.

No. 00126 of 1976

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Wm. F. PRIOR & CO.,
Solicitors for the Petitioner.

No. 00127 of 1976

IN THE HIGH COURT OF JUSTICE
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SERVICES LIMITED (Incorporated in
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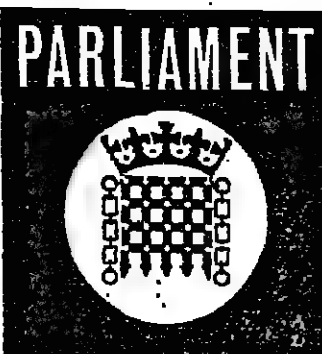
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EEC urged to accept U.K.'s case on fishing

By Justin Long, Parliamentary Correspondent

THE GOVERNMENT is pressing Common Market Ministers this week to recognise Britain's case for an adequately extended exclusive coastal zone for our fishermen within the anticipated arrangements for a general limit of 200 miles.

Mr. Fred Pearl, Minister of Agriculture and Fisheries, will be dealing with this issue in Luxembourg in the Council of Ministers, and Mr. Roy Hattersley, Minister of State, Foreign Office, is to take further the discussion on the Common Fisheries Policy in the Council of Foreign Ministers today.

But MPs were warned in the Commons yesterday by Mr. Edward Bishop, Minister of State, Agriculture, that the British fishing industry's call for an exclusive zone of 200 miles around the U.K. coast was "not a realistic or necessary demand."

Mr. Bishop assured the House, however, that the Government was aiming to get agreement which gave due weight to the importance of fishing in the British economy and to the contribution Britain was making to Community resources.

During a debate on problems involved, Mr. Francis Pym, shadow Minister of Agriculture, charged the Government with failure to understand or press adequately the needs of the industry.

Mr. Hugh Brown, Under-Secretary, Scottish Office, in a clash with the Tories and the Scottish Nationalists, waved down interjections to assert the Government's determination to protect the U.K. fishing industry.

Opposition criticism was defeated by a Government majority of 18 (253-235). Mr. Pym said that the fishing fleet decline had happened in the past two years. What was required was effective Government action, although the really big change was the world-wide move towards the 200-mile limit, which especially affected EEC countries.

The crucial question was the extent of the proposed exclusive zone around our coasts, and what happened outside it. So far, the EEC Commission had proposed an extension to the 12-mile limit from coasts within which member States would have exclusive fishing rights. Beyond that limit, the Commission was relying on a catch quota system which utterly failed to command the confidence of the industry.

Mr. Enoch Powell (U.U. Downs) blamed EEC membership for the slim chances of gaining a 100-mile zone. The reason some countries could do so was that they were independent nations. "We have surrendered our rights quite deliberately as an independent sovereign state by our EEC membership."

Mr. Powell said that there was no substitute for an exclusive fishing zone for Britain, and the only acceptable starting point in negotiations was 200 miles. Mr. Robert Hughes (Lab., Aberdeen N.) said there was no doubt that the fishing industry had been neglected since Britain joined the EEC. The 12-mile limit was nothing like adequate and the Government should have fought for the 100 miles called for by the fishermen.

Mr. Alan Bethel, Liberal spokesman, said his party intended to vote against the Government, to show them, and those with whom they were negotiating in Europe, that there was no chance of carrying the whole of the Commons with them on the kind of suggestions which had been put forward.

Whitehall machine prepares to roll again

Waiting for orders

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. HAROLD WILSON left office yesterday, saying he was ready for 50 years younger. He was leaving, he said, "at a time when many of our problems have been solved."

Whether his successor, Mr. James Callaghan, took such a rosy view last night when he opened for the first time his Prime Ministerial red box, piled high with briefs outlining matters demanding urgent attention, is another question. The Whitehall machine, which Mr. Wilson intends to describe in the first major book of his retirement, has been ticking over very gently in the last three weeks. It has not come to a complete halt, as it does during a General Election, but the normal eight or nine daily Cabinet committee meetings have dwindled to a trickle. Cabinet Office officials have, once, been able to work a 9 to 5 day.

Preparations for to-day's Budget have been an area of continuing concern for the Cabinet's

economic committee and its Civil-Service shadow. Running sore, like Rhodesia and the "cod war" have also required attention. Civil Servants have, in addition, been putting the final touches to the draft Green Paper on transport policy, whose publication is imminent.

But as one official put it: "When there is dust in the air, you cannot get Ministers together for a major decision. It is hard to put up detailed papers when you don't know who will be in what seat."

It was an illustration of the power of Prime Ministerial government that so little could be done until the new man had been installed. The Constitution Unit of the Cabinet Office, for example, had been ready for at least two weeks to put before Ministers the possible contents of the Government's "dummys" Bill on devolution.

But Mr. Wilson insisted that the final decision on so weighty a matter should rest with his successor. "Our briefs are all ready, and we are standing

staunchly to attention, waiting for orders from the new man," was how one official put it yesterday. When Sir John Hunt, Secretary of the Cabinet, stepped the few paces through the oak door linking the Cabinet Office and No. 10, Downing Street last night, he probably carried under his arm a suggested timetable for the remainder of the week, which read:

1—Ministerial changes.
2—Policy matters.
3—Changes in the machinery of government.

By the end of the week, Mr. Callaghan will have had to take important decisions in all these areas, including whether to retain the Prime Minister's Policy Unit in No. 10 and the Central Policy Review Staff (Think tank) in the Cabinet Office next door, both of which he is expected to keep, though there may be a change of personnel in No. 10.

But as one Whitehall insider said yesterday: "He would be wiser to put it all on one side to-night and go home for a stiff whisky."

"Lamentable performance" as a result of industrial disputes, it would be wholly wrong to give more money, he argued. But Mr. Varley told him that the Conservatives seemed to think that there was some precise mathematical formula that could be used to measure the performance within a particular industry. They seemed to argue that if this could not be met then the next tranche of money should not be made.

"We have made it plain again and again that the further release of funds is conditional upon an improvement in performance and in industrial relations," said the Secretary of State.

Mr. Hal Miller (Con., Bromsgrove and Redditch) tried to pin Mr. Varley down by asking whether Mr. Wilson's promise still stood that British Leyland's programme together with the Commons before the next tranche of public money was given.

But Mr. Varley replied cautiously: "I can confirm that it is the Government's intention to give as much information as possible about the performance of British Leyland before the next tranche of money."

Tories press Varley on Leyland performance

BY JOHN HUNT

AN ATTACK on "mistaken management" at British Leyland last year was made in the Commons yesterday by Mr. Geoffrey Robinson, the former chief of Jaguar Cars, who is now Labour MP for Coventry North West.

In exchanges on Leyland, Mr. Michael Heseltine, shadow Industry Secretary, claimed that despite the strikes at the company, the Government was giving the impression that it intended to pay more money into (regardless of whether the company met the targets which had been laid down).

Mr. Robinson said that mistaken management decisions last year plus wasteful and unnecessary voluntary redundancy and sales promotion programmes had done more to damage production, sales and profits of Leyland than all the strikes last year and this year put together.

Mr. Heseltine reminded Mr. Eric Varley, Industry Secretary, that Lord Ryder's strategy for British Leyland was full of precise arithmetic formulae for the company.

By suggesting that these have now been put on one side you will increase the suggestion that the Government is going to put more money into British Leyland regardless of any targets which might be achieved.

The central Policy Review Staff rightly recommended specific targets," he said.

But Mr. Varley retorted: "I have not given the impression that British Leyland's performance will not be monitored. It will be monitored by the National Enterprise Board."

Mr. Heseltine made another attack when Mr. Neil Carnochan, Under-Secretary for Industry, was answering questions about accusations that British Leyland was buying equipment from abroad.

"Are you aware that investment in British Leyland has come to a standstill?" asked Mr. Heseltine. "British Leyland is not producing cars at the rate necessary to suit the targets to which the money was committed."

"If British Leyland produce the cars the British people want, then they will sell them. But they are not producing them. And that is the problem."

Mr. Nigel Lawson (C., Slough) protested it was fatuous to say that the next tranche on the taxpayers' money depended on objectives being met when these objectives were not disclosed in advance.

In the light of the company's

Think again on 'derisory sum' for authors, Government told

LEGISLATION to give authors the right to payments based on the lending of their books from public libraries will not come into effect until resources allow, the Lords were told yesterday.

But the Government does not regard this as a reason for delaying introduction of the Bill to establish the principle and legal framework of the detailed working out of a public lending right scheme.

Lord Strabol, a Government spokesman, was moving the second reading of the Public Lending Right Bill which sets up the fund from which authors will be paid.

He said that the detailed application of the right and the basis of payments from the fund would be set out in a scheme to be put before Parliament in due course for approval.

An independent Registrar of Public Lending Rights would be appointed by the Education Secretary to establish and maintain a register of authors entitled to the right and of their books, to administer the scheme and to make payments from the central fund which would be in his charge.

There would be an upper limit of £1m on the annual liabilities of the fund but the Education Secretary would be able to increase the limit with the consent of the Treasury.

Lord Strabol said the annual costs of administering a loan-based scheme was estimated at about £400,000 and this sum would be the first charge on the central fund to avoid the public libraries themselves having to bear any of the cost of the scheme.

He said: "These proposals will involve no charge on public libraries or on borrowers. Expenses incurred by libraries in recording loans of the books will be met from the central fund to be established for the public lending right."

A detailed operational scheme would be worked out after full discussion with local authorities. Lord Elton, Opposition Education spokesman, said that without a public lending right there existed both "injustice and hardship." Authors and their representatives had expected more from the central fund. Authors wanted a fixed sum per recorded loan of a book.

Once the sum of £400,000 for administration had come out of the £1m fund, it would leave a

balance of only £600,000 for distribution among the authors themselves.

Lord Goodman, a former chairman of the Arts Council, said the Bill was "a question of giving someone a legal right."

He urged the Government to think again about "this derisory sum" for the central fund and added: "It would be better to offer nothing than to offer this pitiful suggestion so that authors will be paid in pennies for their life's work."

Lord Gibson, chairman of the Arts Council and also chairman of the Financial Times, said that the Bill left too much to the Secretary of State because "it gave him power to prepare a detailed scheme after such consultation as he thought fit."

The constitution, said Lord Gibson, should be specified much more closely in the Bill.

He also maintained that the fund would have to be £3m. Instead of the £1m proposed if the payment was to be one half-penny a read.

Literature received very little money from the Arts Council, and therefore it was important not to confuse a State subsidy for the arts with the Public Lending Right Bill. He also argued that the right should be made assignable as it would be a great pity if publishers were able to take part of it from authors.

The Bill was given an unopposed second reading.

Text of Callaghan's broadcast

In his broadcast to the nation last night, Mr. James Callaghan, the new Prime Minister, said:

Following my election as leader of the Parliamentary Labour Party, Her Majesty the Queen has invited me to form a Government and I have accepted that invitation. That was less than three hours ago and my first engagement as Prime Minister is to give to you, the people of Britain, and to share with you my thoughts about our country and what we should be doing.

I am bound to start with our economic prospects. You know, as I do, that we face two deep-seated problems—inflation and unemployment. Both of them are still too high. I therefore emphasise at the outset that the new Government's aim will be to drive on with the vital job of bringing down the rate of inflation.

We made good progress in the past year, thanks to the understanding and co-operation of the trade unions and their members. But, I say this to them and I say it to everyone. We have a long way to go and I emphasise to you that if we fail to bring down inflation we shall never succeed in overcoming unemployment.

We can't have a prosperous industry in this country if we are unable to sell our goods overseas. No-one owes Britain a living. But let me say to you quite bluntly that despite the measures of the last 12 months we are still not earning the standard of life we are enjoying. We are only keeping up our standards by borrowing and this cannot go on indefinitely.

There's no soft option. I don't promise you any real easement for some time to come. There can be no lasting improvement in your living standards until we can achieve it without going deeper and deeper into debt as

Socialists for top jobs call by Left

BY JOHN HUNT

LEFT WINGERS criticised the Government in the Commons yesterday for failing to appoint people of known Socialist views to the major nationalised industries.

Mr. Dennis Skinner (Lab., Bolsover) asked Mr. Eric Varley, Industry Secretary, why it was necessary to appoint Sir Charles Villiers, as chairman-designate of the British Steel Corporation.

"Can you tell me whether there are no Socialists around capable of carrying out these important jobs as chairmen of the nationalised industries? These are the most likely representatives to do the job correctly on our behalf," he declared.

From Mr. Gwyn Roberts (Lab., Canowish) came the suggestion that the acceptance of Socialist doctrine, by major public sector enterprises was the essential key to the success of the nationalised corporations.

Mr. Bob Cryer (Lab., Keighley) complained of the payment of "enhanced salaries" to chairmen of the industry. To attract them to nationalised posts, he argued that the solution was to get the job done by committed Socialists who were not merely seeking large salaries. There should also be the introduction of industrial democracy so that shop floor workers could "identify with the boss."

Mr. Varley told them that he wanted to see the chairmen committed to making a success of the nationalised enterprises. There was no reason to doubt that Sir Charles Villiers was committed to deal with the problems of the steel industry. He had done magnificent work as chairman of the Industrial Reorganisation Corporation between 1968 and 1971.

But, according to the Conservatives, it was Government interference in the nationalised industries, not the activities of the chairmen, that was the source of difficulties. William Marshall (C., Arundel) accused the Government of "crippling" the senior management of BSC.

Mr. Varley told him sharply: "I am not prepared to take issues from the Conservative Party or the Government's relationship with the nationalised industries."

"You will recall the unwarranted interference in 1970-72 during the joint steering group on the steel industry. We will never make it the way the Conservative Government meddled at that time."

Stonehouse attacks DPP

By Justin Long

MR. JOHN STONEHOUSE (Labour, Walsall N.) yesterday attacked Sir Norman Skirrow, Director of Public Prosecutions, maintaining he was a "geriatric well beyond retirement age" who was given to making "ridiculous decisions about prosecutions."

As Mr. Stonehouse made his accusations at question time in the Commons, a Labour MP shouted: "Give him another passport."

Mr. Samuel Silkin, Attorney General, said he had no reason to be dissatisfied with the procedures and practices of the DPP for which he had Ministerial responsibilities.

Free baby milk for needy

PROPRIETARY brands of modified baby milk will be provided free from April 30 for children under a year old in needy families. Mr. Michael Mearns, Under-Secretary, Social Services, said yesterday.

In a Commons written reply, Mr. Mearns said modified baby milk would be available in exchange for tokens at clinics and welfare food distribution centres. Families not entitled to free supplies would be able to buy the milk.

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LABOUR NEWS

Power engineers seek percentage pay rise

BY DAVID CHURCHILL IN NOTTINGHAM

STRONG OPPOSITION to the pre-Budget blow to the hopes of Mr. Denis Healey, Chancellor of the Exchequer, to gain a consensus among trade unions on the next stage of the pay fight, which represents middle management and professional plans of becoming the country's main trade union for professional engineers and middle managers in private sector.

At the opening day of the Nottingham annual conference of the Nottinghamshire Association of Power Engineers, delegates voted overwhelmingly in favour of a percentage-only pay rise policy, and criticised the flat rate plus a standard proportion of delegates on the grounds that their interests would be harmed.

The reasons behind the move to expand the EPEA were indicated by Mr. Lyons, secretary, who said that the growth of middle income workers at the effects of pay restraint and high taxation.

Mr. Lyons claimed that the present policies had meant an effective 17.5 per cent. loss in purchasing power for his members, whose income ranged from £2,500 to £12,000, with an average salary of £5,000 a year. "We are seeing the most spectacular collapse in modern history of the pay and differentials of all types of workers, but especially the skilled and professional workers," he said.

The significance of the EPEA's hard-line stance—which comes

except one—and involves similar issues of pay-differential erosion suffered by skilled men in recent years.

According to a senior shop steward, the company has agreed to meet the toolmakers' demands if and when pay policy allows. National leaders of the unions involved have undertaken to sort out the arguments and put new proposals to the company.

The dispute is over a claim by toolmakers and electricians for their wage differential over skilled production men to be widened from 80p to £2.05 a week. But development workers, who are paid 80p a week less than the toolmakers say the differential should not be widened. Their claim is to turn thought likely to antagonise production workers.

In the past, Rolls-Royce has made a re-examination of its differentials conditional on a review by an independent panel. This condition was opposed by all groups of workers involved.

THE BARNESLEY National Union of is to continue its pole trade unionists not to work with reporters and who belong to the affiliated Institute of.

At the monthly bazaar yesterday, no made to bring the long dispute to an end were told by brand Mr. Eric Bass, a supporting their de been received from South Midland area which was taken a newspaper after the NUJ to join the IOJ union and the Standard chapel. reconsideration of t

Stewards' bid to end Barnsley Rolls-Royce strike

BY CHRISTIAN TYLER, LABOUR STAFF

SHOP STEWARDS at the Bristol aero engine factory of Rolls-Royce (1971) to-day urged 550 toolmakers and electricians to call off a two-week strike over a claim for higher wage differentials.

They will explain to a mass meeting an agreement reached between national union officials and the company, under which a system of new percentage-based differentials is to be drawn up. But no more money will be paid out immediately because of the Government's pay policy.

Rolls-Royce has threatened to shut the factory, which makes engines for defence aircraft and missiles, if the strike is not over by the end of the week. More than 6,000 engineering workers and 7,500 white-collar staff could be laid off as a result.

The Rolls-Royce strike coincided with the rash of British Leyland disputes—now all settled

£50-a-week pay rises defended

By Michael Dixon, Education Correspondent

CLAIMS that "political con-juring" had led to pay-policy approval being given to rises of up to £50 a week to educational advisers, were flatly denied yesterday by the Local Authorities Conditions of Service Advisory Board, in London.

The rises for about 2,700 education-service workers—now being complained about by Mr. Jeff Rooker, Labour MP for Perry Barr—were agreed last December on the recommendation of the Advisory, Conciliation and Arbitration Service.

Since the question of these rises had been referred to arbitration in February, 1975, they were allowable under the terms of the pay policy, the Board explained.

Workers put off increase

ABOUT 300 Cardiff radiator factory workers have agreed to put off their £5-a-week wage rise for five months to help the company, Peabody, Mr. Tony Morgan, chief executive of the group, told its annual general meeting yesterday that it was a "magnificent gesture."

The gesture signals that a much needed increase in sales was beginning, he added.

Unionists need office at work, inquiry told

BY CHRISTIAN TYLER, LABOUR STAFF

TRADE UNIONS will need their own research and secretarial offices at workplaces in order to equip them to take part in decision-making, the Bullock Committee investigating industrial or industrial democracy has been told.

The idea of union "resource centres," probably paid for by the employer, comes from a management consultancy hired by trade unions at Harland and Wolff, the State-owned Belfast shipyard, shortly to set up its own participation structure with five worker-directors on the main Board.

Elections of worker-directors by ballot of all 5,500 employees are Harland are due in four to six weeks' time. The rest of the structure—a joint implementation council to decide how to make Board decisions effective; departmental councils; and productivity committees—will follow.

In its evidence to the Bullock Committee the consultancy, Compens, argues strong experience at the of worker-directors accountable to the, forces and not mere sectional or interests.

Great attention must be paid to the shop-floor system, it says. At F instance there are 13 seven negotiating at a distinction be negotiation and collect ing must be made, one may be an exte other and the same involved in both.

But the main practical tion is that work fo have their own offices possibly a conference and secretar This will help a directors to process country's history but th has survived such perio and emerged greater at idealism of life has been tempered by the need to earn your living; and care for the young family with mortgages and hire purchase to pay—let me say that I am well aware how much of the national burden you carry. You're at the heart of the battl for our national survival and ask you to stand firm in your attitude both to our values and to our future.

And, finally, to the older generation, I beg of you please truly free.

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Nurses' president attacks un

BY DONALD MACLEAN

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The Executive's World

Michael Cassell reports on why the oil rich countries have failed to attract one of Britain's major building companies

Wates shuns Middle East

UGH the Middle East come a Klondike for international construction one of Britain's best building companies is a noticeable absentee against every trend and the lure of prestige suggested in a steady of approaches from oil-rich and their governments—probably the largest building concern in the world—has decided not to work in that multi-pounded market.stantial, but still insular contracting empire found the turn of the century, still believes in keeping itself—a luxury denied others which feel the pre-attached to a Stock Exchange—and getting on a job. The occasional payments from the com-ich go beyond scant de-a new contract or a job ed tend, therefore, to wide interest within the industry. Its recently ted philosophy concern Middle East will prove



Mr. Michael Wates

not a characteristic readily associated with some parts of the contracting industry, but Wates likes to be seen as one company which has always been keen to preserve for itself an unblemished reputation, not simply for the quality of the work it carries out but for its own conduct. This overriding consideration has at least a small part to play in its decision to stay out of the Middle East. Without dwelling too much on the more unpalatable business practices which are now apparently considered a necessary prerequisite for winning business in some of the developing nations, Michael Wates merely states that his company would prove itself a rather naive participant in such affairs, but that if Wates had decided to play the game, it would have had no alternative but to abide by the rules. The decision not to tread where countless others are now rushing in has, however, been largely based on far more tangible, though perhaps no more important, considerations. The first point made by both Mr. Wates and Mr. Phil Lord, managing director of Wates Construction, is that the firm's expressed intention to stay out of the Middle East has not been an impulsive decision and was only reached after a great deal of debate and heart searching. The question of whether or not to extend operations to the region first arose when Wates realised that the domestic construction sector was in for a hard time—as it turned out the worst for 50 years—and that the search for business might have to go further afield. It took, in fact, about 18

months to reach a final decision and all the time the contract was being dangled in front of the board's nose. Says Phil Lord: "We had inquiries coming in at the rate of two or three a week, involving contracts ranging from £2m. to £250m., although most of them were of a nature that we would hardly consider doing at home. "When we did pursue some of the inquiries and had people in to talk, often American middlemen floating between the princes and contractors, we invariably found they had very few details to give us and we quickly lost interest." Not all the projects were unattractive, however, but Wates was also taking a hard look at whether the type of operation required to suit Middle East markets fitted in with its own philosophy. First, it was generally agreed that it was a case of "all or nothing" if Wates was to have a chance of real success in the oil states and surrounding countries. If the company agreed to go ahead, the move would imply a major drain on financial and manpower resources, so there would be little point in chasing small parcels of work. Most of the Middle East work involves a heavy civil engineering content and Wates knew that it was not structured in that direction. In addition, some of the working partnership would be required if the company was to stand any chance of securing large contracts—a prospect for which it clearly has little enthusiasm. "Partners in the construction industry have to be chosen more carefully than wives," maintains Michael Wates, and there were few can-

In Europe again

Wates is anxious not to give the impression that it just does not have the stomach for tackling overseas markets. It has been abroad, notably in France and the U.S.—though with mixed success in America, because of changes in Government policy—and says that no doubt it will go abroad again when there is a good, commercial reason for doing so. It expects to be in Europe again within the next two or three years, but based on real strength at home. Michael Wates sums up the Wates approach: "We are totally confident that we have the brain power, financial control and development expertise to match anyone. But we have to feel that we can serve a market well and ensure that it makes a sensible return on assets. We prefer to go ahead using our brains rather than a lot of muscle."

reat to integrity

as Neil who last pushed into the headlines back when he announced that company, because of its on apartheid, was not pre- to extend its operations in Africa. Such a develop- he claimed, would be y to the company's es and would threaten pty. His stand attracted deal of attention at a en the debate over the of doing business in Africa was at its height, an unfortunate reality too often, integrity is

he motivation of good managers

BY GEOFFREY OWEN

QUESTION of what a good manager yields replies such need for achievement—sure to do something more efficiently than it done before. But case for arguing that answer is quite—the need for power, ble with achievement, people is that, because son personal improve- y want to do things elves; moreover, they mediate feed-back on ormance so that they w well they are doing. merican experts, Pro- vid McClelland and Burnham, have con- the basis of an exten- of U.S. companies top manager must need for power; that ern for influencing is need must be con- that it is directed benefit of the institu- whole and not toward er's personal aggran- Above all the top need for power must than his need for d by people.

know what they should be doing. is characteristic of individuals whose stories are loaded with subordinates a strong sense of sign of self-control. These as part of a particular team. Individuals, the study showed, exercise their power impulsively. They are more rude to other people, they drink too much, they try to exploit others sexually, and they collect symbols of personal prestige such as fancy cars or big offices. How effective are these different sorts of manager? People who want to be liked the one who wants to stay on good terms with everyone and that they almost totally abandon

Power rather than achievement is what the manager must aim for if he is to succeed, says an American report. And this power must therefore be controlled in the direction of the institution as a whole and not towards the manager's self-aggrandisement.

therefore is the one most likely, orderly procedures. This leaves to make exceptions in terms of employees feeling weak, ir- particular needs. This kind of spon-ible, and without a sense person creates poor morale Managers motivated by a need that other people in the office will tend to regard exceptions to the rules as unfair to them- selves. In an earlier research project the authors found that the way a person uses his imagination in writing stories can shed light on what sort of power he needs and how he is likely to exercise it. Where he is the sort of manager who uses power in a disciplined, self-controlled manner, his stories about power helps subordinates tend to be altruistic; that is, and responsible, who the heroes exercise power on m properly for good behalf of someone else. This , and who sees that is the "socialised" face of organised in such a power as distinct from a con- ordinates feel they earn for personal power, which

ponements of democratic management seem to have forgotten this fact, urging managers to be primarily concerned with people's human needs rather than with helping them to get things done." But managers must be interested in playing the influence game in a controlled way. This does not necessarily mean that they should be authoritarian in action. On the contrary, it appears that managers who are power-motivated in the right way make their subordinates feel strong rather than weak. The true authoritarian would have the reverse effect, making people feel weak and power- less. Maturity is an important quality in the good manager. "Mature people are less egotistic. They are less defensive, more willing to take advice from experts and have a longer range view. They accumulate fewer personal possessions and seem older and wiser. It is as if they have awakened to the fact that they are not going to live for ever and have lost some of the feeling that their own personal future is all that important." Some businessmen fear this kind of maturity because they think it will make them less hard-driving and less expansion-minded. The authors' data does not support these fears. They instance one manager who became more effective after attending the workshop, partly because he had lost some of the sense of his own importance. His subordinates genu- ely came to believe that he was more concerned about the company than about himself. Where once they respected his confidence but feared him, they now trust him. Once he supported their image of him as a "big man" by talking about the new Porsche and the new Honda he had bought. When the authors saw him recently he said, almost as an aside, "I don't buy things anymore."

Published in Harvard Business Review, March-April, 1976.

The Heathrow Hotel

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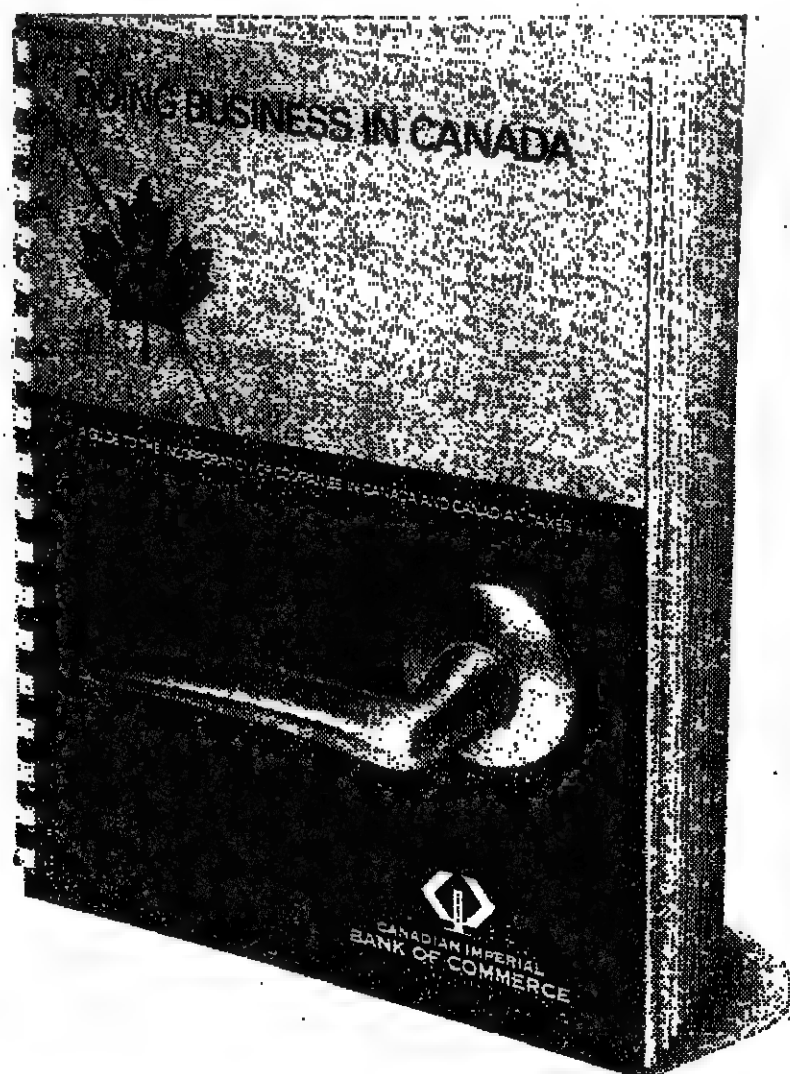
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FINANCIAL TIMES SURVEY

Tuesday April 6 1976

World of Islam

The first Festival of Islam to be held anywhere has started in London. This Survey considers aspects—social, economic, artistic and political—which are major elements in the fast changing World of Islam to-day.

THE growing complexity of the world is creating interdependence among nations, developed and developing. It is tempting to think that the religious and political ties of Islam create an emotional and psychological solidarity. With the on of perhaps Turkey the n denouncer among countries lies much n the fact that they are rejoining nations—experi- problems of economic pment and political on. Their natural forum roved to be within the t of the UN and such ngs as the Group of 77, he meetings of Islamic of State and Foreign re as an addition rather n original driving force alliances and policy.

to dismiss Islamic ties as ying force in political ural identity would be Above all else this is e the Arab countries, the nd of Islam, have been increasingly to assert ives on the international through new-found oil —and Islam has been is a powerful force for al alliance and as a means identity.

is particularly the case since the so-called nary phase of the : solidarity movement is e wane. During this the late King Faisal of Arabia saw a conference ionic nations as a means of ag a counter-balance to radical pan-Arab forces id by the late Gamal Abdul r. This was a reaction to ve, at a cultural level, values of Islam, at a eal level: to prevent the

encroachment of socialism and Communism. The advent of President Sadat in Egypt, coupled with the commanding position Saudi Arabia has acquired through its oil wealth, has removed the need for Islamic solidarity to be used so overtly in this context.

Precisely because the ties of Islam are mainly emotional and psychological their significance is hard to gauge. Although there have been Islamic sum- mit with impressive gatherings of Heads of State—and a secretariat established in Saudi Arabia—the Islamic nations are not a formal association in the sense that the Commonwealth or the Francophone States of Africa are. And the significance of the ties is made more difficult to gauge by the enormous ethnic and traditional diversities of African countries like Nigeria, Libya, Iran, Bangladesh and Indonesia. Sovereign aspirations are also different.

Yet, to quote Bernard Lewis in an essay on the Legacy of Islam: "Only in the 19th century did Muslims, under the impact of European ideas and example, begin to think in terms of ethnic and territorial nationhood, and to redefine their sovereign and aspirations. Even in the present day world of nation States, there are signs of imperfect acceptance of the new classification, and of a hankering for older loyalties, larger yet more exclusive."

Where does this sense of identity spring from? To the Prophet Mohammed is attributed the saying: "Unbelief is one nation." Although the attribution is probably erroneous, it nevertheless sum- marises the exclusivity of those

who have embraced Islam. This is expressed in the old legal doctrine whereby the world was divided into the *Dar al Islam*—House of Islam—and the *Dar al Harb*—the House of War. Bound up with this was the concept of the duty of Muslims to struggle to make mankind accept Islam—the name of this duty being *jihad* which came to mean the Holy War. Now apologists will say that the concept of the *jihad* is purely

In several instances Pakistan's of 1973 no less than 16 African States had broken diplomatic relations with Israel—these including Ethiopia and Senegal which had previously been closely associated with Israel. This was followed up with a more co-ordinated Islamic cam- paign at the UN to force Israel to withdraw from occupied territory. The campaign is continuing now with efforts to expel Israel from the UN, while earlier this year the Islamic

and some of the more emotional Islamic appeals have been tinged with distinct chauvinism. This Arab leadership of the Islamic nations has been further emphasised by the existence of OPEC and the Arab dominance of its membership. OPEC is, of course, largely composed of Islamic nations but although Islamic nations but although occasionally there may have been undertones of Islamic solidarity, OPEC's operations are guided by practical

States lined up behind a resolution which declared that Zionism equalled racism. The Arab States have been in the forefront of this move since pilgrimage in December, King Khalid of Saudi Arabia called them directly, and this has resulted in a growing tendency at the international level to equate Islam with the Arab States. This is a trend which seems bound to continue so long as the Arab/Israeli conflict and the Palestine issue remain unresolved.

The Arabs argue that there is no racism involved in this campaign against Israel—rather is it a campaign against Zion- ism, an alien presence in the Middle East. But it is interest- ing how on occasions shades of the Crusades have been invoked

considerations of market condi- tions. When the oil embargo was used as a weapon in 1967 and 1973 it was strictly in an Arab context of OPEC and non-Arab countries were not involved.

Islam as a political force has also been more obvious in the Arab context because it has been used openly, along with the language, Arabic, as a unifying force within the Arab world. This force has often had an elusive mystic quality enabling Arab leaders to talk of the Arab nation being one nation, despite wide political and social differ- ences. It immediately surfaces at times of crisis and remains an important element behind the general Arab aspiration for a unified Arab nation.

The great Arab historian, Ibn

Khalidun, wrote "Generally speaking the Arabs are in- capable of founding an empire, except on a religious basis such as the revelation of a prophet or saint... because their fierce cha acter, pride, roughness and jealousy of one another, especially in political matters, make them the most difficult of people to lead." This perhaps offers a rationale behind the success among the Arab masses of a leader like Colonel Khedafi or Nasser. More importantly it helps to explain moves towards unity which to Western eyes often seem impractical. Since the late fifties there have been no less than six attempts at federating two or more Arab States.

The earliest was the union between Egypt and Syria agreed in 1958, establishing the United Arab Republic. Yemen later joined as an associate. But in 1961 Syria withdrew, followed shortly by Yemen. Also in 1958 a federation agreement was signed between Jordan and Iraq—to counter the Egyptian-Syrian move. This ended with the overthrow of the monarchy in Iraq. A new attempt was made to form a federation between Egypt and Syria plus Iraq in 1963 but was virtually stillborn.

Egypt then tried a joint presidential council with Iraq, which lasted till 1968. Then in 1969 it was agreed in Tripoli to form a federation between Egypt, Libya and Sudan—when it was established in 1971 Sudan withdrew but Syria was included. This latter union has also now virtually collapsed, but there is talk of Syria federating with Jordan.

This brief outline illustrates the failure of such moves to- wards unity. It equally illus- trates that since the late fifties there has been a constant aspiration. The motives are an odd mixture of the practical and the emotional—the latter often being the driving force. Islamic ties have only been a considera- tion in the broader, more emotional sense.

Gamal Abdul Nasser, the greatest protagonist of Arab unity, was a good Moslem. In his earlier days of power he made little distinction between *umma* "Arabism"—and *umma*—the whole Islamic community. His Philosophy of the Revolution depicted three "circles" around Egypt: Arab, Islamic and African. But from 1960 on- wards, it has been observed, he increasingly made a distinction between Arab nationalism and Islam, stressing his Third World identity, making clear his preference for India rather than Pakistan. Bad relations with such countries as Pakistan, Iran and Saudi Arabia were one factor. Equally important was his conflict at home with the right-wing and religiously fer- vant Moslem Brotherhood. Apart from the challenge they presented him politically they were also opposed to his concept of Arab socialism, even though this had nothing to do with Marxism which he cracked down on with equal firmness.

In moving towards a secular state he went less far than Presi- dent Bourguiba in Tunisia who was forced to draw a halt by public opposition.

"Progressive" Arab political movements have had to pay

CONTINUED ON PAGE III

A sense of community

By Robert Graham

defensive. Nevertheless the idea that Muslims are on one side and the rest of mankind on the other remains an im- portant underlying factor in the exclusive nature of what in effect is a brotherhood of believers.

This exclusive nature of Islam has been well illustrated in the case of India's relations with the Arab world. India, through the old association between Nasser and Nehru in the Third World non-alignment movement, has consistently supported the Arab countries diplomatically. Yet when it came to war with Pakistan, especially in the 1971 war, Arab sympathies were directed towards Pakistan or at best there was an embarrassed silence.

Arab Economic Development. States lined up behind a resolution which declared that Zionism equalled racism. The Arab States have been in the forefront of this move since pilgrimage in December, King Khalid of Saudi Arabia called them directly, and this has resulted in a growing tendency at the international level to equate Islam with the Arab States. This is a trend which seems bound to continue so long as the Arab/Israeli conflict and the Palestine issue remain unresolved.

Israel had a deeply implanted presence in Africa in the sixties—Ghana, the Cameroons, Uganda and Ethiopia. But by the end of the Arab/Israeli war

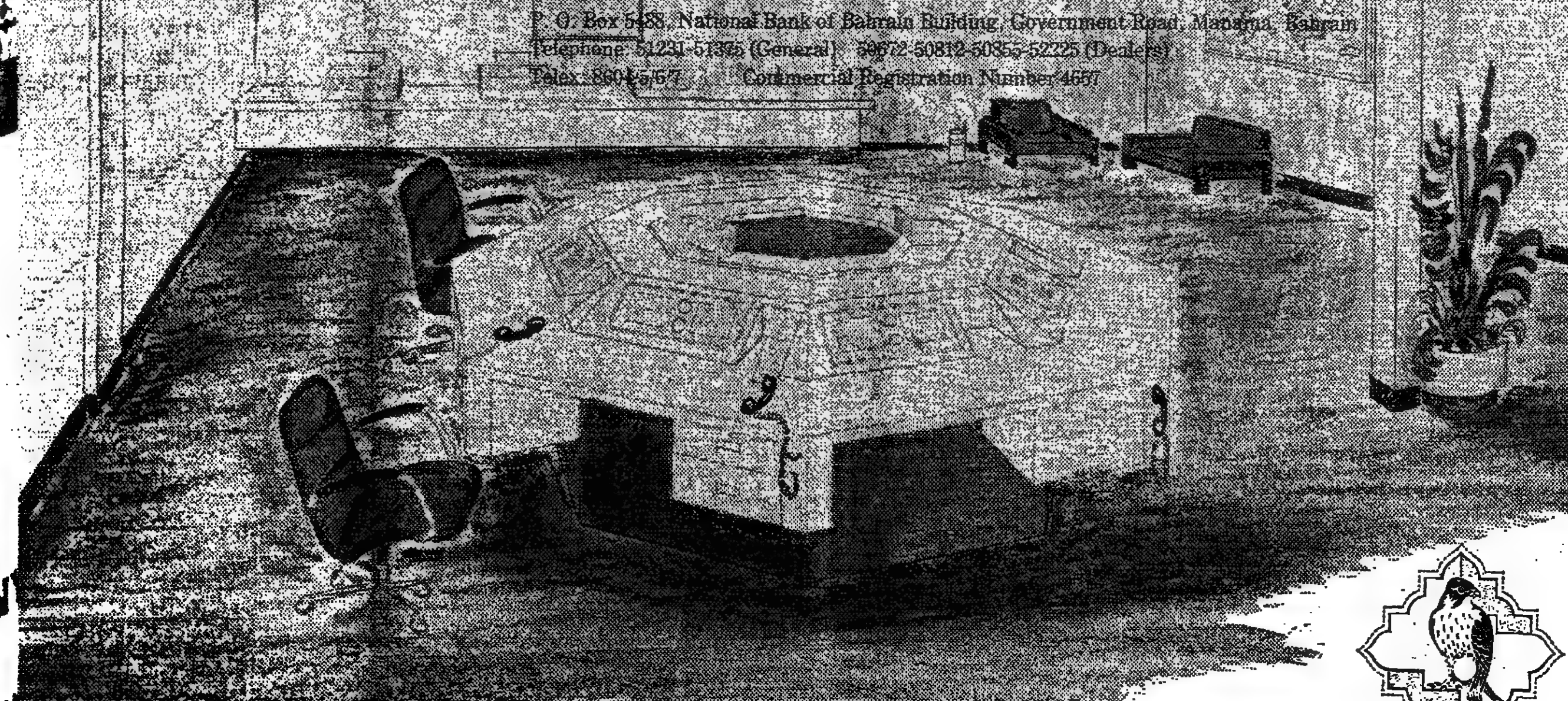
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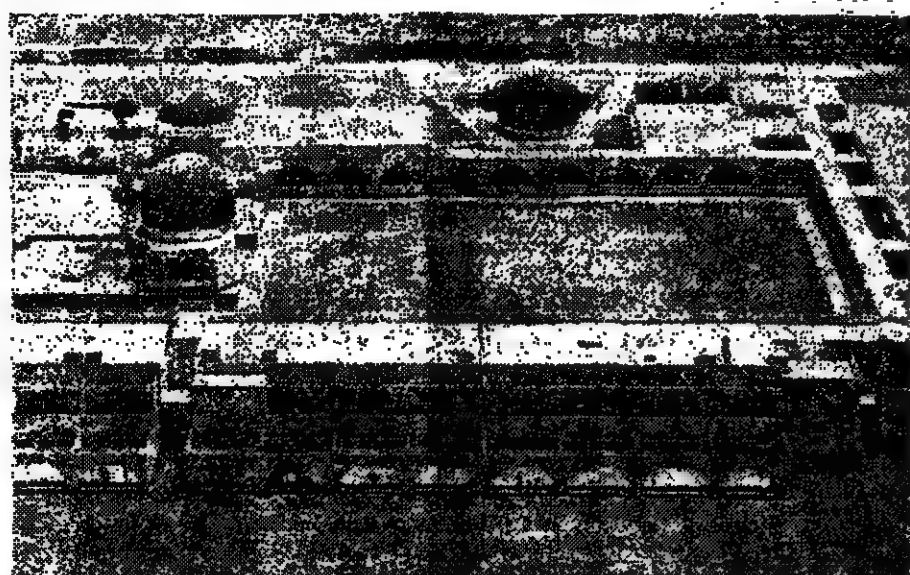
In East Africa the early Omani settlers introduced their mode of life to the people of Africa, based on their religious beliefs and rooted in concepts of justice, morality and man's responsibility to God.

In Oman today, in accordance with the Islamic precept which encourages the quest for knowledge 'from the cradle to the grave', the number of schools in the Sultanate has increased

dramatically during the five-year reign of H.M. Sultan Qaboos bin Said. From only three schools in 1970 the number has risen to 178 in the current year. In all these schools, side by side with modern techniques of educational instruction, the basic tenets and observances of the Islamic religion are carefully taught so that each succeeding generation will be able to maintain and carry out its responsibilities for the protection of its sacred heritage.

In southern Oman, where communist-backed guerrillas have recently been decisively defeated and peace restored to the area, the Government is rebuilding villages and mosques which were destroyed by the guerrillas. As a temporary measure, prefabricated mosques are being erected to meet the religious needs of the people.

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WORLD OF ISLAM II

The holy pilgrimage

PILGRIMAGE TO Mecca is prescribed for the followers of Moslem in the Quran, and for others; for all Moslems in this nearly 14 centuries an annual world form one race of gathering of pilgrims has taken place at Mecca, in spite of the appalling risks and hardships involved in the journey there. Unlike the other pillars of Islam—prayer, fasting, almsgiving and profession of faith—pilgrimage is required only of those who are physically fit, and have the means to make the journey at least once in a lifetime.

Yet far from being a mere obligation, performance of the Haj has been the dearest ambition of countless Moslems down the ages. In practice, only a small proportion of each generation of Moslems manage to make the pilgrimage to Mecca, but those who do so find it a deeply moving and profoundly inspiring experience. For some it is the climactic moment of their lives on earth.

Yet the Haj is not just a time of personal rededication and purification before God, but a spiritual experience shared with the whole of Islam. Every pilgrim seeks to honour the

Prophet's teaching that "each mark the beginning of a series of influxes on an unprecendented scale. Throughout the 18th century, up to the end of World War II, the number of pilgrims fluctuated in the 10,000 to 70,000 range. Since the war, number of pilgrims has increased steadily from 38,000 in 1945 to 607,700 in 1974, and over 900,000 in 1975. Some 500-600,000 Saudi Arabian pilgrims also join the Haj, so that in recent years there have been altogether about 1.5m. pilgrims in and around Mecca between the 8th and 12th days of the month Dhu al-Hijja when the Haj rituals must be performed.

In recent years, Moslems from more than 70 countries have been drawn together by the Haj, including some of Britain's 1.5m. Moslems. Pilgrims mix freely and perform the various rituals on terms of complete equality. At the beginning of the pilgrimage an unassuming seamless white garment is put on which removes all outward distinctions of nation and class. Women not only perform the Haj in considerable numbers, but one of its central rituals re-enacts the decisive role of womanhood in history.

The size of the pilgrimages in 1974 and 1975 exceeded all

expectations, and could well handle some 250 flights a day. Another reason for the growing popularity of the Haj is the remarkable improvements made in the Haj since the 19th century, up to the end of World War II, the number of pilgrims fluctuated in the 10,000 to 70,000 range. Since the war, number of pilgrims has increased steadily from 38,000 in 1945 to 607,700 in 1974, and over 900,000 in 1975. Some 500-600,000 Saudi Arabian pilgrims also join the Haj, so that in recent years there have been altogether about 1.5m. pilgrims in and around Mecca between the 8th and 12th days of the month Dhu al-Hijja when the Haj rituals must be performed.

Charter

The introduction of charter flying has brought about a revolution in the nature of the pilgrim traffic, greatly contributing to the larger numbers arriving by air has increased from 15 per cent to well over 50 per cent in 20 years. In the three weeks prior to the pilgrimage, Jeddah Airport

also reflection of the general mobility of the Middle East in decades. Apart from incomes, means of communication have improved a has been a considerable ment of hotel accom throughout the regi countries of the Mid and North Africa recs 10m. visitors in 1974, with 2.5m. in 1980 mobility is just one re the next decade i witness a colossal in pilgrim traffic. Each year, the world population grows by increase alone by perb and at the same time of the Haj is spreading before through the m the testimony of Hajis. In 1974 som ceremonies of the I shown live on tele various Islamic cour the first time, and the impact of this was siderable. The final of every pilgrim is i past in the greatest Islam, the Id al-Adha of Sacrifice. Moslem where perform a sacrifice on the same uniting those on the the world-wide Moslem hood.

The current resur Islam has been fre activities of the offi States. Without their is doubtful wheth would be so many pilg even if there were, l ionable whether a p Arabia could cope w Ambitious civil s schemes costing ove are now being imp the major site to re gestion and cater pilgrims by 1977. W projects an absolute limit to the number a might one day be ree Meanwhile, the I continue to grow, and more Hajis will retru homes with fresh ins the true meaning of faith. Thus large p could become both a symbol of Islam's r

Dr. G. H. Michael Field
Department of University

Flow of secular aid

THE IDEALISTIC elements in the aid programme of members of OPEC stems from the concept of Third World solidarity and, in the case of seven members, from Arab nationalism more than from any pan-Islamic philosophy. But there are nevertheless 11 Muslim or part-Muslim countries among the 13 members, and in practice it happens that non-oil-producing countries, both in and outside the Arab world, have received proportionately more OPEC aid than other developing States.

Religious considerations have played a role in determining the destination of some of the aid given by Libya, Abu Dhabi and Saudi Arabia (in recognition of this India has appointed a prominent Muslim as its ambassador in Jeddah) and in the Saudi Arabia Development Fund's policy of charging of no interest on its loans, reflecting the Koranic proscription of usury. There has also been established in Jeddah the multi-nationally-backed Islamic Development Bank, which has now begun extending project aid to Muslim nations.

That, however, is about as far as the Islamic connection in OPEC aid goes. In the main OPEC's aid philosophy has been associated with the drive for a new international economic order, and in practice the shape and scale of its members' aid operations have been considerably influenced by the state-of producer-consumer diplomacy. The OPEC countries objected to the initial tendency on the part of the Western powers and the international monetary establishment to tell them how they should recycle their surpluses, which accounted for their rather lukewarm response to the World Bank's appeal for loans and to the IMF's Mark I (1974-75 financial year) and Mark II (1975-76) oil facilities.

As an overall aim the producers appear to have been more anxious to use the diplomatic power conferred on them by their increased revenues to extract more aid on the Third World's behalf from the Western nations, than to increase Third World aid by the more direct means of distributing their own revenues. With only one or two minor breaks the Third World

countries have supported OPEC in this approach, despite periodic attempts by the U.S. to use the aid issue to split the solidarity of the two blocs, and to muster Third World support for its campaign to lower the oil price. The success of the OPEC-Third World strategy could be seen last December in the establishment by the Conference on International Economic Co-operation of specialist committees to deal with aid and raw material prices.

Meanwhile, the performance of OPEC countries as givers (rather than promoters) of aid has been somewhat mixed. In the two-and-a-half years up to mid-1975 members committed a total \$38.3bn. in aid—\$17.7bn. bilaterally, \$5.1bn. multilaterally and \$15.5bn. via the IMF, whose facility was used as much by developed as developing countries, and cannot be considered an aid source. Of these commitments \$11.6bn. was actually disbursed—\$5.7bn. bilaterally, \$3.1bn. multilaterally and \$2.8bn. via the IMF. These sums have not been anywhere big enough to finance Third World deficits, but then OPEC members have also contributed to recycling money to the less developed countries via the Euro-markets.

The concept of LDC's oil deficits (as distinct from deficits caused by deficits in other raw materials or manufactured goods) has anyway become so eroded that it is now impossible to work out exactly what damage in balance of trade terms the oil price rises have done to the LDCs. Whether or not the total amount of OPEC aid can be considered generous, there is no doubting that OPEC aid has not been given in the best possible manner.

For political reasons most OPEC aid has been channelled bilaterally—and this emphasis is getting stronger as the special recycling operation of the World Bank and the IMF are wound down. There has been a tendency to establish institutions to project aid rather than the more immediately important current account aid needed by LDCs to finance essential imports. This feature is presumably accounted for by the fact that project aid is more prestigious and is likely to suck up less money than current aid.

There has also been a very uneven distribution of aid among countries. The Arab countries have done well (though a large proportion of inter-Arab aid flows can be accounted for by military grants extended to Egypt and Syria) as have Pakistan and India. But despite the scale of Arab-African diplomacy the sub-Saharan African nations and the non-Muslim South-east Asian countries have done badly.

At the same time there has been a remarkable division of the overall OPEC aid efforts among a very large number of institutions. Leaving aside Venezuelan aid operations in South America, and the activities of partly Third World orientated and semi-political investment institutions such as the Arab Investment Company in Riyadh, the Kuwait-Foreign Trading and Contracting Company, the Libyan Arab Foreign Bank, and the Arab African Bank in Cairo, the institutions handling OPEC aid can be divided into four categories.

First there are the bilateral project aid funds. These are the Kuwait Fund for Arab Economic Development, established in 1961 with the purpose of gaining Arab friends for Kuwait at the time of its full independence; the Abu Dhabi Fund for Arab Economic Development established for broadly similar reasons by Abu Dhabi on the occasion of its full independence in 1971; the Saudi Arabian Development Fund; and the Iraq External Development Fund. Secondly, there is a group of multilateral project aid funds. These are the Arab Fund for Economic and Social Development, subscribed to by all the Arab countries and headquartered in Kuwait; the Islamic Development Bank, the Arab Bank for Economic Development in Africa, a small institution agreed upon by the Arab summit in Algiers in December 1973 in gratitude for African support given to the Arab cause in the October war that year; and a new OPEC-fund which is still in the process of being established.

Thirdly, there are two multilateral current aid operations: a fund administered by the Organisation of Arab Petroleum

Exporting Countries for non-oil producing Arab States, and the small Arab African oil fund—another institution reflecting the diplomatic support given to the Arab countries by Africa.

Lastly there have been three recycling operations conducted through established international institutions. In 1974 the World Bank raised some \$2bn. of special OPEC government loans. In the same year United Nations raised a mere \$150m. for its own recycling operations, and was eventually obliged to redefine its role so that it could treat OPEC bilateral aid to the Third World as a contribution to its own account; and in 1974-5 and 1975-6 the IMF ran its Mark I and Mark II facilities.

Michael Field

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WORLD OF ISLAM III

فكرنا من العمل

The missionary drive of Islam

HUNDRED years ago Kish, to Sumatra and Peking. Gibbon was saying that To this day, the frontier of Islam has gone on stretching. This expansion is no accident without a naval combat. From the beginning, he wrote, "the Islam was more than a religious rhaps, he wrote, "the Islam was more than a religious station of the Koran movement. It was a law, a State, now be taught in the a social order, a civilisation that of Oxford, and her pul-found expression in the umma, light demonstrate to a the community of the faithful, iled people the sanctity Bound by a fierce common faith ith of the revelation of and a deep sense of brother-

Islam was prophetic. Two 3 years later, in London, according to the Will of God ents Park alongside the through the jihad, the "holy errace; a 231m. mosque war." The well-known verse in the n the spring of next year. Koran, the "verse of the beco designed by a sword," commissions the fol- architect, Sir Francis the polytheist wherever you Catholic cathedral of find them." It has given Islam ol. And like a cathedral, an unsavoury reputation for be the focus of the sinister fanaticism. It is, in largest religion in fact, a travesty of history.

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On the face of it, western colonialism seemed to have struck Islam its death blow. It was not to be so. Islam grew in strength. The umma took recently by the Moslem Bother- hood, now outlawed in Egypt, but whose appeal for the restoration of the glory of Islam, of the establishment of the Islamic State and the consolidation of the dominance of all parts of our fatherland which have been cut off from one another due to the machinations of the western powers" has won converts not only among peasant classes but also among the ranks of the lower middle and middle classes. Nor 10 per cent of the population in Moslem, the communists per-

the Prophet himself was a camel merchant.

There followed from the 13th century onwards an even bigger expansion. This time it was directed by the missionary zeal of the Sufis, a brand of Moslem mystics. They spread Islam in India, in Central Asia and Indonesia. They wandered into unknown regions beyond the Sahara. They were astonishingly successful because their's was a jihad of teaching. They absorbed the religious customs of the people they converted. In Indonesia old traditions still survive: some tribes are still matrarchal and the Ramayana maintains some cultural significance. In Africa, the holy man and animist beliefs persist among converts.

Agents

Moslem traders, in the meantime, continued to act as agents for Islam. They converted people in Malaya, Indonesia and China. They carried Islam to Southern India and the East Coast of Africa. Ironically, even the slave traders, who eventually crept up the Congo River, established Islam among remote tropical communities. By the end of the 19th century, when the Ottoman empire had collapsed and Islam's sphere of influence had apparently come to an end, the groundwork had been set for the latest phase in Islamic expansion.

On the face of it, western colonialism seemed to have struck Islam its death blow. It was not to be so. Islam grew in strength. The umma took recently by the Moslem Bother- hood, now outlawed in Egypt, but whose appeal for the restoration of the glory of Islam, of the establishment of the Islamic State and the consolidation of the dominance of all parts of our fatherland which have been cut off from one another due to the machinations of the western powers" has won converts not only among peasant classes but also among the ranks of the lower middle and middle classes. Nor 10 per cent of the population in Moslem, the communists per-

suaded many to enroll during the revolution to form the Red Moslem Army with promises to unite all the Moslems of China, Outer Mongolia, Sinkiang and Soviet Russia. The slogans read "realise the Independent Government of the Mohamadan people." The idea of the jihad cannot be underestimated in the struggles of various Islamic communities for freedom and self-rule.

The penetration of Islam into the U.S. is a recent side-effect of this tendency. The Black Moslems, who emerged as a protest movement after World War II, demand a division of the U.S. into black and white sovereign States. Oppressed blacks were drawn to the movement and adopted an unorthodox form of Islam that stood above all else, for social justice. In Harlem, outside the Black Moslem mosque, a poster asserts the movement's essential creed — "we the people." Officially the Black Moslems call themselves the Nation of Islam. As they come into closer touch with orthodox Islam, they identify themselves more and more with the universal umma, and especially with the spread of Islam in black Africa.

There, the process of expansion has been going on virtually uninterrupted since the beginning of the century as a backdrop to the more turbulent issues of nationalism. At times it has shown a hostile face: at the beginning in the form of Muhammad Abd Allah's jihad against the British and the Italians in Somali; more recently by the Moslem Brotherhood, now outlawed in Egypt, but whose appeal for the restoration of the glory of Islam, of the establishment of the Islamic State and the consolidation of the dominance of all parts of our fatherland which have been cut off from one another due to the machinations of the western powers" has won converts not only among peasant classes but also among the ranks of the lower middle and middle classes. Nor 10 per cent of the population in Moslem, the communists per-



The London Mosque, under construction in Regents Park.

to the African continent: their followers are to be found in Malaya, Indonesia and Pakistan. Asmosis, however, has been the biggest factor in the expansion of Islam in Africa. Modern communications have opened up remote places to Moslem traders and missionaries. Pagans moving to new Moslem-centres in search of work have been absorbed. Moslem emirates in Northern Nigeria or in the Cameroun, for example, have furthermore acted as fierce barriers to Christian missionary work. New independent governments, in fact, with "progressive" ideas, are reluctant to interfere with these Moslem fiefdoms. In Northern Cameroun alone there are some 20 Fulbe tribes living in a forgotten world of swamps. They are deeply religious. Their rulers, like Lamido Amadou of Rey Boubba, whose throne consists of a brass bed adorned with leopard furs the gift of Kaiser Wilhelm II to his father, still own slaves, although slavery has been declared illegal by the central government. In spite of its steady advance this century, traditional Islam is at present undergoing a serious crisis. It is having to adjust itself to the challenge of western thought, to industrialisation, to the purely political, social and economic aspirations of many Moslems. In Turkey, for instance, it has had to adapt itself to the far-reaching secular reforms of Kemal Ataturk: in Egypt too, as in other developing Moslem countries, it has had to make way for change. The new order

Solidarity

CONTINUED FROM PAGE 1

great respect to the strength of Islam which is ideologically and as a conservative element that fundamentally opposed to inhibits modernism. This has been illustrated nowhere better than in Algeria, where a revival of Islam has been used as a means of establishing a national identity, yet Islam itself has run counter to in working out their creed for other good reasons. When a new constitution of a secular nature was promulgated three years ago in Syria there were riots in Homs, Hama and Aleppo because it paid no deference to Islamic law and amendments had to be made. The Ba'athists in Iraq have also had to proceed with caution on this front. Only in Aden has an overtly Marxist regime succeeded in establishing itself in power for any length of time and it now appears to be undergoing a change towards moderation in the face of Saudi pressure and promise of substantial aid.

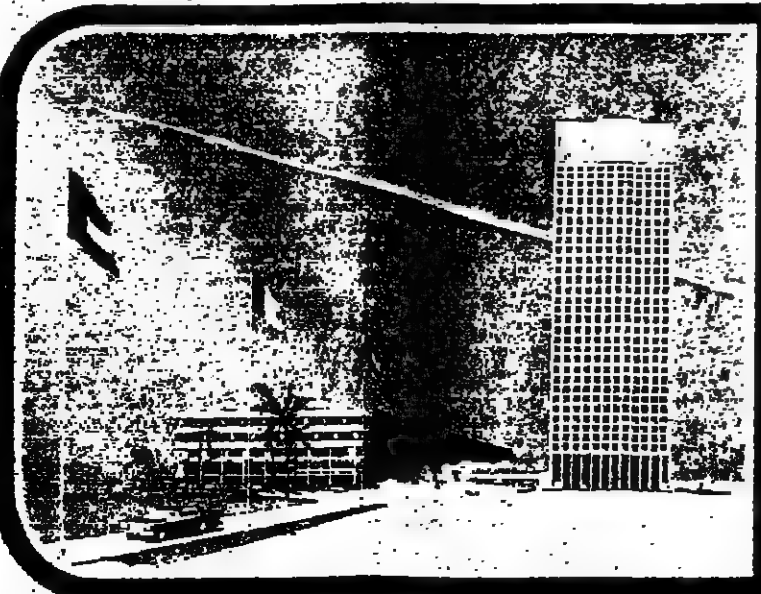
Philosophically, Islam has not found it easy to devise means of reconciling religion with economic progress and social change. Colonel Muammer Khedafi, a fundamentalist and fanatical Moslem leader, who restored Shariah law to his country, has attempted to do so recently by evolving his simplistic "Third International Theory" which begs as many questions as it asks. Rejecting Western capitalism and Communism he speaks of the need for "a theory capable of restoring to the individual his dignity and to the masses their due place." Colonel Khedafi says that the essence of such a theory "cannot lie anywhere else but in Islam which is based on the belief that God is one and is governing the universe." At the same time, he highlights in language any Marxist would approve, the prominent features of its economic aims as "the building of a prosperous society based on sufficiency of production and equality in distribution, the peaceful dissolution of class differences, equal opportunity and social justice for all and the elimination of the factors behind man's exploitation of his brother."

Certainly, the Koran would be interpreted by most Moslems as embracing all these principles. Nevertheless, there exists in the Arab world particularly an apparent contradiction whereby religion and culture act both as a revolutionary force to create nationalism and pan-

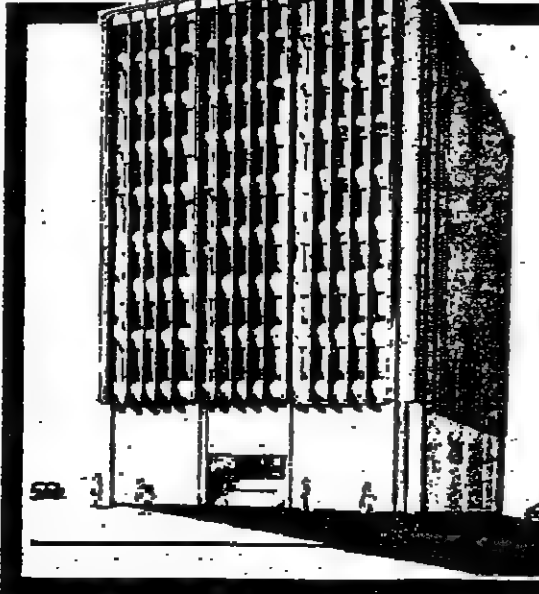
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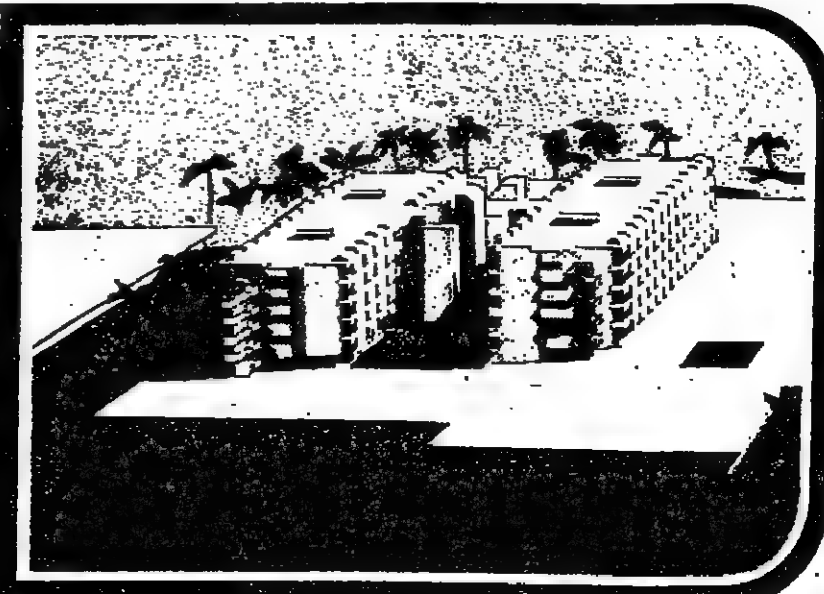
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WORLD OF ISLAM IV



Part of a large watercolour by John Frederick Lewis recording the meeting of Sheikh Hussein of Egypt and Lord Prudhoe. Entitled "A Frank Encampment in the Desert of Mount Sinai, 1842," it will be sold by Sothebys on April 14.

Distorted image in the Western mind

"ISLAM," far from being the terrible image of the Anti-Christ, complete with horns and scales, that was served up by ecclesiastics during the Middle Ages and the Reformation. The public to which the image-makers were catering had changed, as indeed had the image-makers. The Islam of the Enlightenment was the work of diplomats, merchants, and dilettantes. The Ottoman Empire was no longer as "fearful and terrible to the whole world" as it was described by William Harbottle, Elizabeth's envoy to Constantinople. The West itself during which period the West was rapidly expanding, and extended its economic and political hegemony over the globe and had to define itself as a superior cultural unit. Throughout this period, Islam has served a purpose of ideological consumption necessary for the West. It is not a unit about which it is possible to talk meaningfully; its unity is rather the result of a western polemic against a product of its own imagination.

In the past 1,000 years or so, Islam has been metamorphosed through a succession of images elaborated by different types of authors and deriving from different modalities of antagonism between the West and its Islam. At the present time, this legacy has resulted in an image consisting of many layers, some of them medieval, which are not easy to isolate from each other. Some of the most ludicrous are still evoked in times of adversity which recall atavistic passions. For instance, during the oil embargo, any recollection of the proud and defiant desert Arab as portrayed by T. E. Lawrence, instantly fell away to be replaced by the portrait of the greedy and essentially dishonest oil sheikh. Political and, in some cases, economic conflict, are the fuel of journalistic satire. But, in the face of such international issues, the cartoonists' fixation on the medieval conception of the Moslem is quite striking: his is an invariable fat, leery, leering, and licentious Saracen, whose wicked smile evokes not so much amusement as fear.

The medieval image was constructed by clerics under the impact of the Crusades and found its way into the mainstream of the Reformation controversies by way of the messianism and hermeticism of the latter Middle Ages. Right from the start, Islam was appropriated into the body of Christianity. Mohammed became an imposter, a cardinal who did not manage to fulfil his ambition of becoming Pope. Needless to say, he was wicked and lecherous, and his was a Christian heresy. The first English translation of the Quran, prepared and published by Alexander Ross in 1649, opens with the following words: "The 1734 and rapidly went into many great Arabian imposters now at last after a thousand years is by way of France arrived in England, and his Alcoran or gallimaufry of Errors (a Bait as deformed as the Parent and as full of heresies, as his scold head was of scurfs) hath now learned to speak English."

This was the "learned" image, the more popular one, and the one which, in fact, underlay it, emphasised even more the notion of Islam as substantially a Christian problem. John Wycliffe used the notion of Islam to name the evil within the Church, and Luther believed that, whereas Rome was the head of the Anti-Christ, Islam was his body. It is thus no wonder the first Oxford Arabist, Pococke the Elder, was delighted over the interest in Arabic and Islamic studies in his time, and it is significant that this interest waned in England at about the time of the Restoration. It no longer served a doctrinal purpose. Yet Islam remained a Western problem. It was no longer the

lately wild with delight at the spectacle of what it had constructed as its exact opposite; images of the harem titillated the collective libido of Europe. This was the only charming side that the Islam of the West had; but this was a very dubious charm. The harem evoked not only a promise of endless pleasure. The definite and serene eroticism of Ingres' bathing Moslem women, a scene he never saw, evoked equally well the black eunuchs barring access to them, save to their bearded gluttons with gelatinous bodies and perverse minds, who intruded on to the self-sufficiency of the enslaved universality of woman. Another image is also evoked, that of the impersonally aggressive face of the Moslem warrior in the rendition

mould that one might impose upon them, in hand with the use of university faculties Islamic history, Islam name a few. In some ganzas were also proud Islamic personality "the Arab mind," and characteristics of a book only three years than conform to century speculations "semitic mind," and spiritual at once, it is constraints that press grasping the real: an incapable of "modernity."

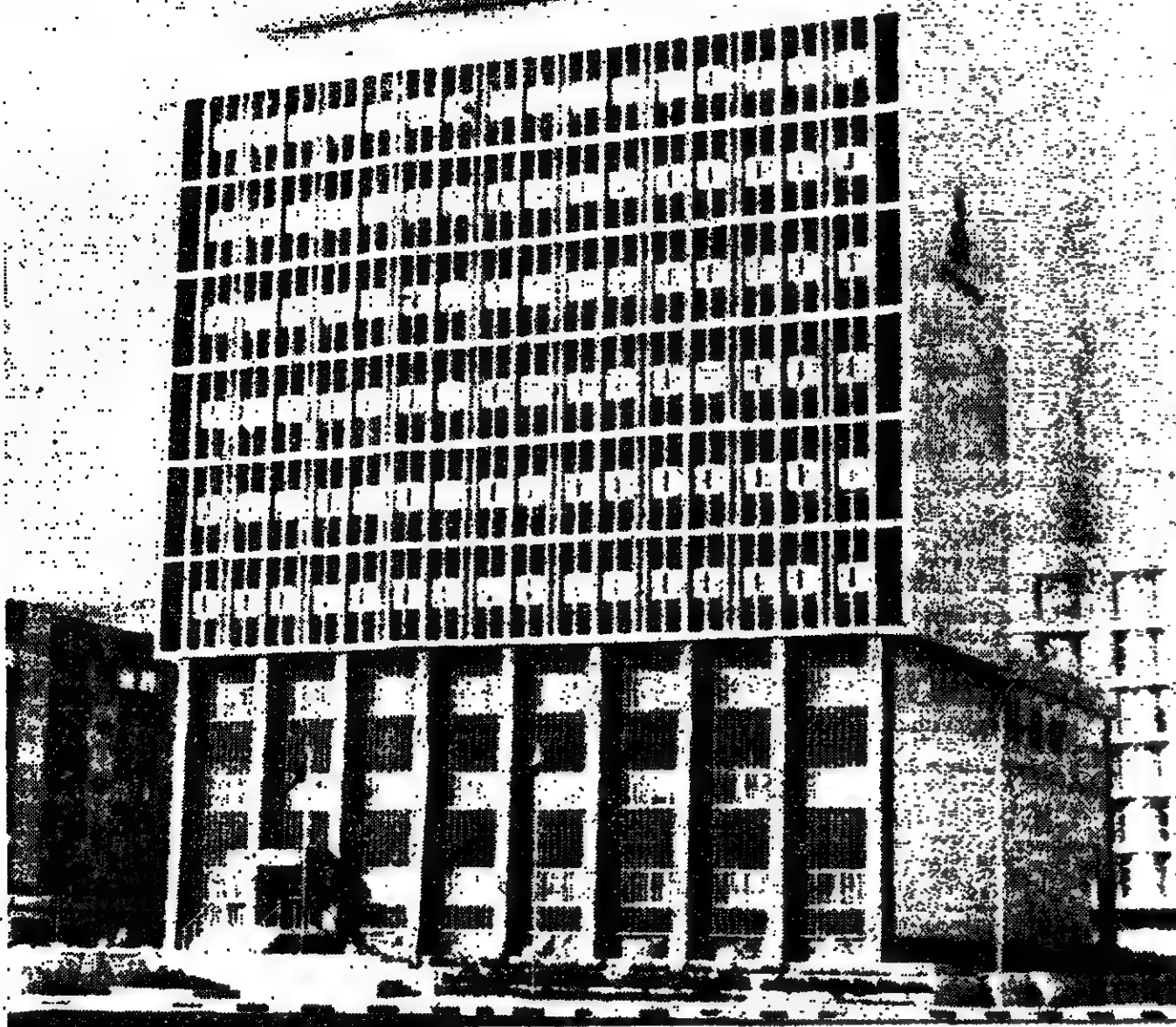
The British colon not take very other-worldly creature and irritated missions adopted a more picture, and their personified by the frailty of the Turi enormous size of the that he met on the Pund. Arab lovers deed were: but the Lawrence was the low, thing distant and at "understood" in his backwardness, and he battle for the Empire trust to this, Delacroix: agile and hostile war the French gave son thought to the means ing their Islam. Th the help of what to noble savages. The that the Kabbyles of A the Maronites of Leb their desired specifics in the event, the form to be very untrustworthy and the French prop Lebanon is proving disaster.

With the intensi the anti-colonial strug decided that Arab a was an extension of with the consequence former carried over negative attributes of The speculative pari over, the Persians, fo with whom a relativ day-to-day antagonism exist, were allotted the and exoticism of "is this was sanctified scholarly work on a of national comp Islam. The Arabs, were relegated to li more primitive corner Suez, struggle against and, later, Israeli aggr usurpation were expl means of attributed connotations make. Identification with "is avoidable.

In the same vel rapprochement and f with the Soviet Un phenomenon of Ba'ath many others were as with the xenophobia had to expect from Isl of change are now appa are unfortunately a phenomenon. The civil war, for instance, systematically misrep as a struggle between and Christians or, at Christians wishing to their particular culture one hand, and Mosle Leftists on the othe groping towards an und ing is thus smothered. fact that the Left is all be swallowed by because of the stronger that attaches to this especially, in this pa instance, its connotati tyrannical fanaticism.

"Islam" thus remain embodied and confined historical specificity give cultural parochialism. ultimately upon the ima the West has of itself natural and ultimate history, from which all has reason not to identifi itself, or to see as lead itself, is robbed o intelligibility.

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WORLD OF ISLAM V

Sects and schisms

MOSLEM HERESIES, unlike those of the Jews and the Christians, are primarily about politics. In this they reflect the formative role of political power in the shaping of Islam. The Moslem polity was intrinsically sacred: its ruler, the Imam, was conceived as the successor of the Prophet, and disputes about the Imamate were ipso facto disputes about Islam itself.

In formal terms, the basic dispute was about sacred genealogy. The Imam was the successor of the Prophet; should he not then be his kinsman and if he did indeed have to be a kinsman of the Prophet, how close did this kinship have to be? The answers to these questions define the major heretical groups. On the right, so to speak, we have the Shi'ites. The "Shi'a" was the party of Ali, and what matters here about Ali is that he was the cousin and son-in-law of the Prophet. That Ali was the first legitimate successor of the Prophet, virtually all Shi'ite groups were agreed; but when it came to his descendants, they parted company. The most narrowly legitimist group recognised only the Imamates of a single line of fathers and sons: these were the Imamites, the "Twelvers" of modern Iran. A less fanatical group required descent from Ali with little further restriction: these were the Zaidis, the dominant sect of the modern Yemen. If the Shi'ites were the right, the Kharijites (those who "walked out" under Ali) were the left. To them any genealogical restriction on the choice of the Imam was anathema, and to drive home the principle some were prepared to contemplate even the Imamate of a negro slave. Between the Shi'ites and the Kharijites lay orthodox, or Sunni, Islam.

Unlike the Kharijites, the Sunnis insisted that the Imam have a sacred genealogy; but unlike the Shi'ites, they considered it enough that he be a member of the tribe into which the Prophet had been born. Parallel to these positions on the Imam's descent were the theoretical attitudes of the various groups to the nature of his authority: the spectrum here ranged from the Imam Imam, who was presumed as a matter of doctrine to be infallible, to the Kharijite Imam, who might be deposed for some trivial impropriety.

Such were the principles. The embarrassing question was what the various sects proposed to do about them in practice. Now the main Islamic heresies took shape in Iraq; and in Iraq it was plain by the late eighth century that none of these heretical groups stood a chance of coming to power. This meant that the sectarians had to do one of two things. They could stay at home in Iraq, in which case they had in effect to

renounce their principles; or they could stick to their principles, in which case they had to go and practise them somewhere else. The classic case of a sect which opted to stay at home was the Imamite, and two of the devices they adopted in going quietist are worth remarking. The first was religious dissimulation. Most Moslem groups conceded a right to conceal one's true religious beliefs in the face of persecution; the Imamites seized on this right, and blew it up into a major theme of their religious life. This cult of dissimulation remains a keynote of the Shi'ite ambience in Iran to-day. The other Imamite device was occlusion, a polite way of getting rid of the Imamate. In the late ninth century the last of the Imamite Imamites (if he ever existed) went into hiding, and despite a brief reappearance in the following century, he is still there. His whereabouts are unknown, he does not communicate with his followers, and his future return is relegated to eschatology.

Colouring

The adoption of these two devices rendered the sect well-adapted to the quietist life of the ghetto. And there, no doubt, it would have stayed but for Shah Ismail, who on conquering Iran at the beginning of the 16th century decided to establish Islamism as the faith of his new State. Politically, the result was distinctly odd: a heresy which had abrogated politics became a State religion. Culturally, the outcome made slightly more sense: Shi'ism had a certain Persian colouring in the early Islamic period, and this hint of a national faith has not been lost on modern Iran.

While the Imamites stayed at home, the Zaidis sallied forth. The 9th century Middle East was peppered with their ill-conceived rebellions. But fortunately for the Zaidis, even the most ill-conceived rebellion has some chance of success if initiated in a sufficiently out-of-the-way part of the world. By the 10th century, accordingly, a number of Zaidi statelets had come into existence: one (or rather two) in the Caspian mountains of northern Iran, one in Morocco (though its heresy may not have been exactly Zaidism), and one in the Yemen. The Caspian Zaidis, despite the protection of their mountains, were a little too close to the centre of the Islamic world for their own good, and they disappeared in the later Middle Ages. The Moroccan polity, wide open to invasion, came to an end in the 11th century; but its story was re-edited in later centuries to remove the taint of heresy, and forms part of the historical self-image of the contemporary Moroccan sultanate.

The Kharijite story is a variant on the same themes. Early Kharijism, like Shi'ism, included both activists and quietists. As it happened, neither group survived in the pure form. The out-and-out activists, the Baader-Meinhof groups of the age, got themselves slaughtered by the authorities and disappeared from history. The would-be quietists, meanwhile, were persecuted by their followers into a measure of activism. By the

(The Moroccan sultans are unusual in that, although doctrinally orthodox, they are Imamites who make great play of their descent from Ali). In the northern Yemen the Zaidi Imamate was better sheltered, and continued to exist on and off down the centuries. Its eventual demise, through a combination of conspiracy among the officer corps, disaffection among the Sunni minority, and Egyptian invasion, is an event which took place well within journalistic memory.

But this simple choice between quietism and activism, the Zaidi putschism did not satisfy everyone. There were Zaidis who wanted to stay at home in Iraq, and were still managing to do so as late as the 11th century; and equally, there were Imamites who wanted something to happen, and saw no reason for going about it in the Guevarasque style of the Zaidis. It was probably among such Imamite malcontents that the most remarkable of Islamic heresies, Islamism, was born. The Islamite movement was, in a sense, the Communist Party of the Islamic world: it possessed a doctrinal and organisational flexibility in the pursuit of its long-term goals which set it apart from its rivals, and enabled it to operate simultaneously in both the urban ghettos and the tribal backlands. It even possessed, in the 9th to 12th centuries, a Russia in the shape of Fatimid Egypt. But by the 12th century Islamism had gone to pieces, and it has bequeathed only a few scattered remnants to the modern world.

One of these remnants, the Bohras of India, is notable for a less drastic variant on the theme of the hidden Imam: in this case the Imam, though in concealment since the 12th century, could reappear at any moment, and the actual leader of the community is in contact with the Imam of the day. Another Indian remnant, the Khojas, provides an awful warning of what can happen when an urban minority neglects to put its Imam into hiding: early in the last century their Imam, who had hitherto resided at a comfortable distance in the interior of Iran, suddenly arrived to assume full theocratic powers. His descendants are well-known in the West as the Aga Khans.

The Kharijite story is a variant on the same themes. Early Kharijism, like Shi'ism, included both activists and quietists. As it happened, neither group survived in the pure form. The out-and-out activists, the Baader-Meinhof groups of the age, got themselves slaughtered by the authorities and disappeared from history. The would-be quietists, meanwhile, were persecuted by their followers into a measure of activism. By the

middle of the 8th century they were accordingly leading a double life: they combined a quietist existence in their Iraqi ghetto with a web of conspiracy among the tribes of Arabia and North Africa. When these conspiracies achieved a certain local success, the Kharijites of Iraq abandoned their ghetto and migrated to their tribal Imamates. Their Arabian Imamate survived in the interior of Oman into the middle of the present century; but unlike the Zaidi Imamate in the Yemen, it failed to enter the modern world by conquering the coast, and played no part in modern politics until oil was suspected underneath it. In North Africa, the Kharijite Imamate was destroyed by the Islamites in the 10th century; but deep in the Sahara the sectarians continued an independent existence in the oases of the Mozab. In the last few centuries, their old amphibious habits have been standing them in remarkably good stead: they again lead a double life, the quietist half of which is spent as a commercial diaspora in the cities of Algeria.

Tensions

As political doctrines, Islamic heresies are no longer practical politics. No Islamic state is ruled by a heretical Imam at the present day, and it becomes increasingly unlikely that any will ever be so again. But as political allegiances, these heresies are still very much with us. Most obviously, Shi'ism continues to set Iran apart from the rest of the Islamic world. But less obvious and perhaps more significant are the covert implications of heresy for the politics of Arab nationalism. Despite the efforts of Christian Arab ideologists, Arab nationalism remains strongly identified with Sunni Islam. The heretics of the Arab world are thus in a predicament at once hard to escape and hard to articulate. As Arabs, they can hardly opt out of the Arab nation: yet as heretics, they can hardly feel at ease within it. The resulting tensions have contributed to political instability in half a dozen Arab countries; in particular, they are fundamental to the contrasting roles of the Ba'ath Party in Syria (where it has a heretical colouring) and Iraq (where its colouring is Sunni). Conversely, the absence of heresy in Egypt is one reason for its unusual stability. Whether or not the Shi'ism of the Bektashis retains any of its significance as a people's heresy in Maoist Albania, the heresiographers of Marxism have not yet deigned to inform us.

Michael Cook
School of Oriental and African Studies

Islamic law and social change

WHEN THE telephone was first introduced into Saudi Arabia, not too many years ago, there were those who declared it to be the work of the devil, a thing not merely of irritation but of impiety. But the Islamic religious law, or Shariah, declared the devil to be incapable of uttering the text of the Quran. And since a test transmission of the first verses in the Quran over the telephone was audible and intelligible, the instrument could not be the work of the devil and therefore its use by Moslems was permissible.

This incident illustrates to some degree the basic philosophy of law in traditional Moslem society. Law is a system of Allah's commands to the Moslem community. Derived from the divine revelation of the Quran and the precedents of the Prophet Mohammad, the law was the concrete expression, in terms of rights and duties, of the Islamic religious ethic.

All-embracing

It was an all-embracing code of behaviour, regulating details of diet or verbal communication as meticulously as commercial transactions or criminal larceny. And because, with the death of Mohammad, contact with the one and only Law-giver had ceased, there could be no further source of law thereafter. From the 10th century A.D., when the work of interpreting and expanding the material of divine revelation was deemed complete, the law as enshrined in the legal manuals became static and immutable.

But from the time of its initial contacts with Western civilisation Islamic society has been subject to the rapidly

developing influence of novel institutions and standards of behaviour. It is this basic conflict between an allegedly immutable law and the changing circumstances of society which poses the fundamental problem for current Islamic jurisprudence. And in the case of the telephone, and virtually throughout the whole spectrum of legal relationships, Saudi Arabia initially adopted the classic Islamic posture. However novel and of whatever nature the problem might be, it could be solved only by reference to the comprehensive and exclusive arbiter of Moslem conduct—the Shariah law as documented in the mediaeval authorities.

Different reactions to this same central problem have emerged over the last few decades in the Moslem countries of the Middle East. Turkey in the 1920s abandoned the Shariah law altogether as being totally impractical in modern circumstances and replaced it with secular laws based upon European models, including the Swiss Civil Code in matters of family law.

Most other Islamic countries, however, have followed a middle course. In the fields of criminal and business law the Shariah has now been replaced by modern secular Codes derived from European, particularly French and Italian, sources. To-day, therefore, the traditional Islamic penalties of amputation of the hand for theft or stoning to death for fornication have largely disappeared. So, too, there no longer applies in commercial law generally the traditional prohibition of usury, or riba, which in its broadest sense covers not only interest upon capital loans but also any kind of risk or speculation in contracts (insurances, for example). Family law, however, has

remained firmly the province of the Shariah. But here it has gradually been established, through a complex and protracted process of juristic development, that the Shariah is not necessarily to be identified strictly with the doctrines expounded in the mediaeval legal manuals but is a system of religious law capable of evolution.

Revision

The degree to which changes in the substance of the Shariah have been effected naturally varies from country to country. Iraq and Jordan, for example, appear most conservative in this respect while Tunisia and Iran are the most progressive. But generally speaking in all these countries the central institutions of traditional Moslem family law are being subject to scrutiny and revision. The twin pillars of the old patriarchal family system, for example—the husband's right of polygamy and his right to divorce his wife unilaterally and extra-judicially by repudiation, or *talaq*—have everywhere been subject to various kinds of restriction in Tunisia and Iran prohibited altogether.

Current Islamic legal practice is therefore an amalgam of secular and religious law, the precise nature of the mixture being determined by the temper of each Moslem society within its national boundaries.

It is fair to say, perhaps, that as the area of application of the Shariah has shrunk and as, even in family law, the precise legal rules of the mediaeval authorities have been progressively modified, there has been a correspondingly greater emphasis placed upon the basic and general precepts of the Islamic religious ethic as they are formulated in the Quran itself. A particular and extreme

case in point is Libya, where, for example, the whole question of commercial rates of interest is considered in the light of the Quranic prohibition of *riba*. Thus, in dealings between natural persons usury, or *riba*, consists of any profit in excess of the charges for services or expenses actually incurred in making the loan and is punished by fine or imprisonment. On the other hand, Col. Khaddafi himself stated flatly in 1974 that in institutional dealings a reasonable rate of interest on bank loans was not *riba*.

Nevertheless, the overall picture in this period of rapid transition is one of widespread concessions by the religious law to accommodate the circumstances and practices of modern life. Even conservative Saudi Arabia has for some time now happily recognised the validity of oil-concession agreements, which the strict Shariah would declare void on several grounds including that of uncertainty. And to-day, of course, in this same society which until very recently condemned any form of imagery, particularly reproduction of the human form, as the sin of idolatry, the attraction of television has proved irresistible. It is most significant, too, that television appeared not to need the same kind of justification by reference to the Shariah as the telephone did a few decades ago. Clearly the material developments of modern science and technology are the pace-setters of Moslem society to-day. And the lesson of universal legal history is crystal-clear: to remain effective the Islamic legal system, no less than any other, must follow the path that society itself has chosen to tread.

Professor N. J. Coulson
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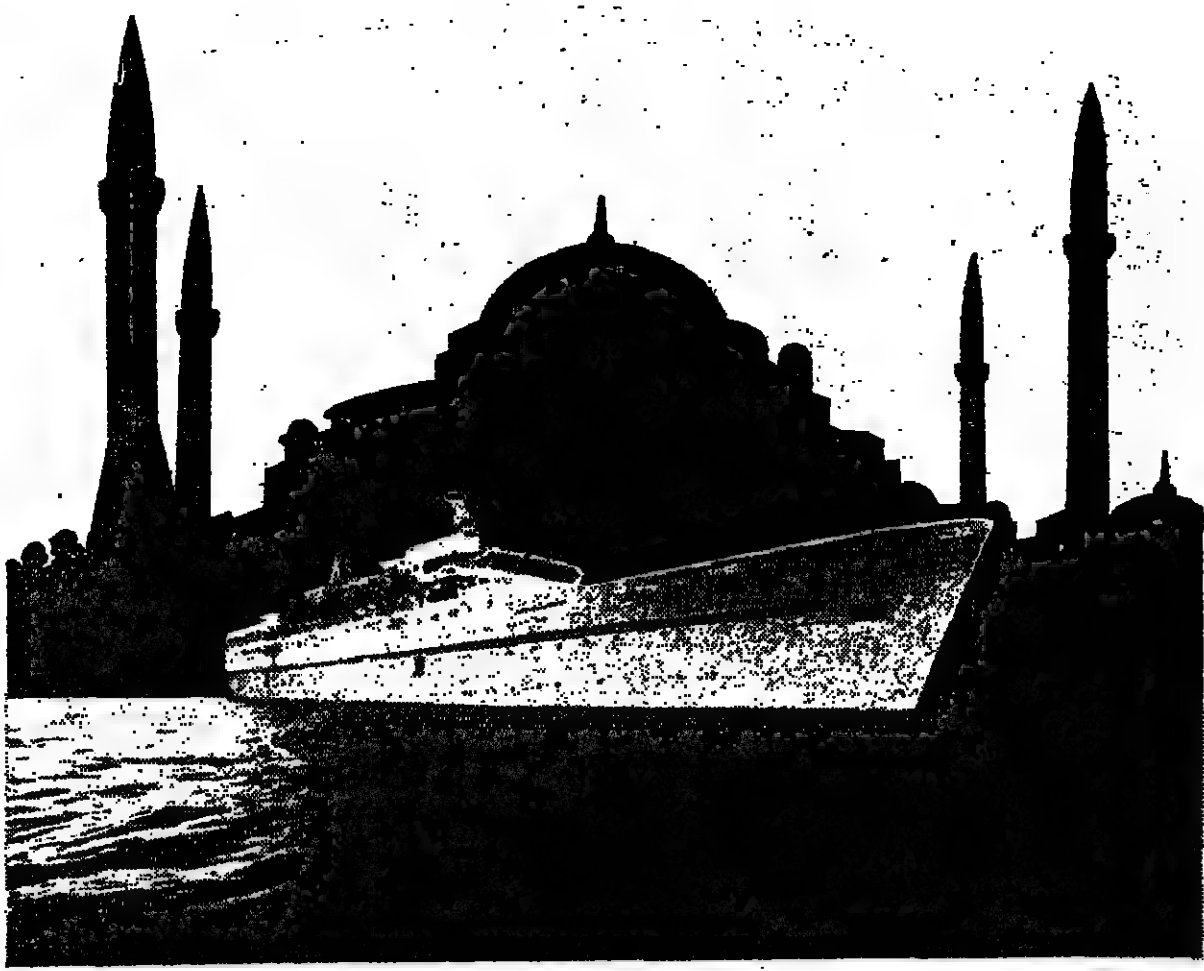
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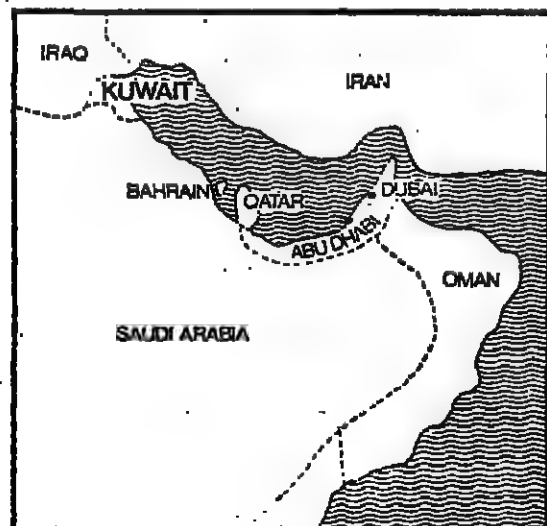
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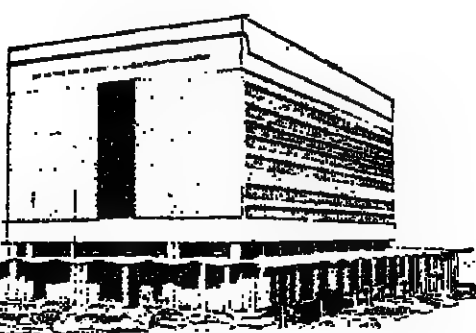
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WORLD OF ISLAM VI

The linking force of Arabic

IT HAS become something of a truism to say that a Moroccan in Casablanca and an Omani in Muscat can pick up a copy of *Al-Ahram* newspaper and be at home with it; but it serves to emphasise the extent to which Arabic is a *lingua franca*—the mother tongue of some 100m. Arabs and the liturgical language of a further 300m. Moslems—and the power, therefore, it has to bind Arabs within one family.

Arabic has qualities that make it, if not a unique language, at least a highly unusual one. Because of its associations with the Quran (it is the language of divine revelation for Moslems), it is akin to Latin or Hebrew; but unlike Latin and Hebrew, Arabic has remained in regular use. Even though the colloquial language, *lughat ammiyya*, draws heavily on local dialects, it is still, recognisably, Arabic.

Until quite recently most Arabs received what education they had from Quranic schools; the humblest peasant learns the *fataha* and perhaps a few verses of the Quran. It explains the strong feeling Arabs have for their language, a feeling of reverence because of its religious associations, bolstered by a great oral tradition which has been the source of its vitality. But from Islam's beginnings there has been a mystique around the written word, and especially the Quran.

Arabic has, however, made Arabic a very satisfactory medium of reform; it is still only a *lingua franca* of the literate. This mattered less in traditional societies because of their informal nature than in the more formalised societies of the imperialist age when it was a real stumbling block in the way of nationalist reformers.

The development, therefore, of a popular literary language, bridging the gap between the classical written language, *lughat fusha*, and the colloquial *lughat ammiyya* has been a prime objective. Nasser was the first Arab leader in modern times to grasp the potential of developing a spoken language that could be understood and strike a response in the masses like the great singer Um Kulthum; and it is significant that no two deaths in modern times

have so moved the Arab World as did those of these two great figures. It is significant, also, that they were both Egyptian; Egypt has played a dominant role in shaping modern-day Arabic, indeed in forming a popular culture. It was natural that this should be so because of its location, history (it was also the first Arab country to have a Revolution) but above all, because of its large and well defined market. During Nasser's time and before, Cairo's film industry did much the same for Egypt as Hollywood did in spreading the American way of life in Europe. Cairo Radio has made Egyptian Arabic known everywhere; Egyptian magazines and newspapers have made Cairo as familiar to Arabs as London, Paris or New York are to Europeans.

In literature the process was more complex and began much earlier. Attempts to broaden its scope from the refined forms of the Golden Age—to introduce, for instance, the spoken language into it—met with limited success because it was written and appreciated by small coteries in the cultural centres who were usually more at home in the European cultures they were so often brought up in.

Again, it was in Egypt that one of the most significant developments took place in Arabic literature when Taha Hussain, the blind Egyptian writer who was later to become Minister of Education and instigate far-reaching educational reforms, shook the hegemony of the literary establishment by publishing a book in 1926 that cast doubt on the authenticity of pre-Islamic poetry. From then on, a new and critical light was thrown on the language and its origins, which has generated dynamic new approaches in investigation.

Instead of treating the language and its literature as rare and delicate specimens, this new, more critical approach argues that the language was rich and flexible enough to absorb and develop the great cultural heritage of the Greek and Roman worlds before passing them back to Europe at the time of the Renaissance, and must still have these inherent qualities which, if understood and used properly, make it quite capable of meeting the challenges of the modern world.

Since the turn of the last century Arabic has absorbed a host of neologisms and new ideas which makes the modern-day language discernibly different from the classical language. But often these words and ideas were absorbed without a proper understanding of the language.

Accepted

The Arabic Language Academy in Cairo performs much the same function as its French counterpart in pronouncing on the permissibility of introducing foreign words into the language. It manages, on occasions, some inspired transmutations—the most famous being its rendition of a sandwich in Arabic: *shata' wa mash'ur bishakuma tasig*—which being interpreted as: the cut in half and what is cut in half (that is, what is the other half) and between them something fresh. In the market place foreign words undergo a less refined test of acceptability which is more to do with whether the word fits into the language or whether the concept is easily translatable. *Autobus* has been accepted where *otomobil* has been superseded by the more graceful *sayara*. On the other hand, the arabised *tilifon* has stood its ground against the Arabic *hاتف*.

Nevertheless, there is widespread acceptance of the fact that the language needs a guiding hand, if not an institution, to lay down the law. Some foreign words have a wider currency than their Arabic equivalents and yet are unacceptable. The word, for instance, for Constitution in Lebanon and Syria is *destour*; in Iraq and Jordan *al-qanun al-asasi*. In some areas of science the wholesale importation of foreign words militates against comprehension. A technical school student in Egypt, for example, finds himself at a severe disadvantage if he does not understand English. On the other hand, Arabic teachers are discouraged from writing elementary engineering textbooks in Arabic because no systematic terminology has been established and there is not the market, therefore, to make it worth their while.

Simplification of the script must come many feel. There are too many symbols (in Arabic there are different symbols for a letter (depending on whether it comes at the beginning, middle or end of a word);

Reformers

This unusual classical legacy has not, however, made Arabic a very satisfactory medium of reform; it is still only a *lingua franca* of the literate. This mattered less in traditional societies because of their informal nature than in the more formalised societies of the imperialist age when it was a real stumbling block in the way of nationalist reformers.

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Daughters of Islam

ACCORDING TO popular Western impressions, the position of women in Islamic countries is seen as the very symbol of oppression, concrete evidence of the extent of women's liberation in the West. This widely held belief bears scant resemblance to the complex reality which encompasses a severe oppression of lower class women and the growing freedom of upper class women in the Islamic world. The difference is quantitative rather than qualitative and the situation is clearer in Islam where the position of women is not concealed and distorted by the myths of the consumer society.

It is incontestable that the Quran, by stating that women are independent human beings with clearly defined rights of their own, greatly improved their previously abysmal status. In pre-Islamic society women were mere chattels to be sold, bought, or ill-treated according to men's will; even infanticide of baby daughters was an accepted practice.

The Quran introduced legislation covering the main aspects of women's lives: marriage, economic activities and inheritance. This legislation, in a more or less modified form, is still valid to-day in most countries where Shariah Law still governs family relations, even its secular codes have been adopted in other fields of law.

Women inherit in their own right, receiving half a man's share of the deceased's property, and they are then free to control and manage their property without reference to their husbands or fathers. In this they are well ahead of British wives, whose tax returns are still generally included in their husbands'. There are many cases throughout the Islamic world of women running large and successful business ventures, even where they are not seen to be doing so.

The Quranic injunction to "take in marriage of such other women as please you, two or three or four and not more" was primarily aimed at restricting the previously unlimited number of wives. This statement is followed by a qualification which has often been interpreted as a call for monogamy: "but if ye fear that ye cannot act equitably towards so many, marry one only..." Furthermore men are required to treat their wives with consideration. The dowry, a substantial sum, although negotiated between the future husband and the fiancée's father, belongs to the wife and has to be paid to her in full in case of divorce or of the husband's death. This dowry, together with inherited property, gives women economic independence, an essential form of security in a situation where men are still able to divorce their wives more or less instantly, by repudiation in the presence of witnesses.

Although divorce by repudiation is still legal, most countries now insist that divorces go through the courts, providing an opportunity for reconciliation and the provision of maintenance. However women face a lengthy legal process in order to obtain a divorce and must prove very serious allegations of misconduct against their husband. The difficulties involved are illustrated in a recent successful Egyptian film, *Urdun Hallan* (I want an answer), in which an upper class professional wife is refused a divorce after three years of legal struggle. Her husband defeats her attempt because the weight of tradition and procedure support his privilege as a male to make decisions concerning his marriage.

Secular

Two Islamic countries are exceptions and have adopted secular family law. In 1956, shortly after independence, Tunisia adopted the *Personal Status Code* which forbade polygamy and repudiation, and gave women the right to choose their husbands and petition for divorce. In the People's Democratic Republic of Yemen (P.D.R.Y.) change in the position of women is seen as part of the wider process of social change. There, the 1974 Family Code asserts the equality of men and women, prohibits the marriage of a daughter without her consent and of women under 18 or men under 18. Polygamy is forbidden except in special cases, when the first wife is granted a divorce on request, and dowries are limited to prevent marriages for economic advantage. The law emphasises "equal rights and obligations" in marriage and both partners can petition for divorce on grounds of incompatibility, cruelty or desertion.

Divorce cases are heard by the courts with consultation of the Women's Union. After divorce women retain custody of their daughters to the age of 15 and sons to 10; most other countries give fathers custody at a much earlier age.

The increasing influence of secular law on the status of women is only one indication of a more general change in their position in society which began in the late 19th century with the rise of Arab nationalism. In Egypt, Qasim Amin published his first book calling for the emancipation of women in 1900, although he personally secluded his wife. The year 1910 saw the first written demand for women's rights in the National Congress, but it was only in 1956 that Egyptian women won the right to vote and be elected to Parliament. To-day women have the vote in Algeria, Egypt, Iran, Iraq, Jordan, Lebanon, Libya, Morocco, Pakistan, Sudan, Syria, Tunisia, Turkey and the P.D.R.Y.

Women have proved their equality by participation in national struggles, both by fighting in anti-colonial wars, as in Algeria during the war of independence and to-day in Palestine. They also work for social and political reforms including changes in the position of women. On the whole women in the Middle East consider that any improvement of their situation will come through liberalisation in the total social structure. But the examples of history have shown them the need to emphasise women's demands separately, as they may be conveniently forgotten when other aims have been achieved. After independence Algerian women were kept behind the veil and lost some of the advantages they had gained during the war, although their general condition is improving because of the regime's economic policies.

The veil itself was a pre-Islamic custom which rich urban Moslems adopted as a sign of status. It was taken up by other families and soon became a standard feature of city life. Over the centuries it became enmeshed with Islamic practice and to-day in Saudi Arabia, dominated by the most puritanical interpretation of Islam, it is illegal for women to appear in public unveiled. Meanwhile in other countries the veil is losing its former

universality. It is disowned by educated women whose example is widely followed. It tells the number of women diminish yearly. In the wearing the veil widespread peasant worked alongside fields where a woman's ability hinder their ability and most villagers thus reducing the seclusion. Peasant would only wear a visiting cities, and among the few women wear it.

Deprived

Unlike urban women have always in economic life, by been, and remain, educationally deprived. Urban upper-and-lower women, on the other to be kept secluded. Their introduction economic life came of their successful education. This de made as a corollary of nationalism.

To-day, all govern encourage the development of girls' education; it does not everywhere same emphasis as this even in Saudi Arabia where and quality of girls is increasing. The of girls in secondary education is still small in Kuwait, where over cent. of university students are women, but it is i. Hopefully, the present rate of female (over 90 per cent. in a tries) will decline in the coming years. Education seen as a first step women's liberation allow their integration labour force, particular professions where the is greatest.

While it is clear that women, particularly in social classes, are achieving equal status is changing as Islamic societies economically. But the social and political of Moslem women sh assessed, not by criteria, but within the work of their own cult

Helen La

For The Black Moslems in the U.S.

Historic centres in Soviet Asia

Big cohorts in the Far East

Kevin Rafferty
Asia Correspondent

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Riyadh Refinery. The production of the refinery is expected to meet the requirements of the market in the Central Province until 1977, when the refinery will be expanded to reach a capacity of 20,000 barrels per day.

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Centuries of architecture

THE DOMES and minarets of ease of travel unfolds more and more of the mosques of Istanbul, the more of this vivid architectural delicate courtyards of the tradition.

Alhambra palace at Granada. There are many architectures the moonlit view of the Taj in the Islamic world, a fact Mahal are images of Islamic which is hardly surprising con- architecture familiar to a gen- sidering some twelve centuries eration which can now reach of building over an area from most parts of the Islamic world Spain to Indonesia, from Cen- in a matter of hours. For those tral Asia to Africa. Even so, who have not had the good for- there are numerous instances tune to visit these buildings of consistency within this tra- there exist countless publica- tion, not only in matters of tions, often with excellent purpose and use but also in coloured photographs, to ensure architectural form, technique their familiarity. It might be and decoration. It is these thought that the "exotic" ap- unifying characteristics which peal that Islamic architecture justify the term "Islamic archi- once had has now disappeared, tecture" and which reflect the but the reverse is actually true; vitality of the society which

produced it. What then are these unifying "themes"?

Islamic culture is dominated by an awareness of Allah, the supremely single Godhead who is never represented or sym- bolised but who can be ap- proached by every man. Despite the fact that prayer does not re- quire an architectural setting, great buildings have been erect- ed throughout the Islamic world from the earliest times to provide a suitable environ- ment in which man may ap- proach God. The mosque is the characteristic Islamic building but it is not sacred in the sense of a Christian cathedral or Hindu temple. It is not a house of God and there are no images. The focal point of the sanctuary of each mosque is the qibla wall which indicates the direction of Mecca, the birth- place of the prophet of God, Mohammad. In this wall a niche is made, the mihrab, to direct the devotee in his prayers. De- spite the fact that mosques differ from one region to an- other within the Islamic world there are common features: the columned sanctuary, the qibla wall and mihrab, the minaret from which the prayer to call is given, the minbar or pulpit from which the Friday sermon is delivered and the open court- yard.

Associated with the mosque is the school of religious educa- tion, the madrasa, the forerunner of the universities of Europe. There are facilities for ritual ablution and perhaps a bath. Hospitals are also some- times combined with mosques. In this way, the mosque is never isolated from its environment and it is closely linked with the commercial parts of the city. As there is no division between

secular and sacred in Islam, both are interwoven into the life of the town and its citizens. The sense of response that may be experienced inside the mosques of Cairo, Isfahan and Delhi contrasts with the vitality of the streets which surround them.

The tomb represents another aspect of Islamic architecture in which devotees experience what might be described as holy "vibrations" in the memory of a powerful or saintly man. The dome which is mostly employed to cover the tomb chamber per- haps also adds to the vision of eternity which is expressed here. Another vision which is part of the Islamic outlook is that of paradise, imagined as an enclosed garden, watered with flowing streams and planted with dense foliage. Gardens are beloved throughout the Islamic world and form an important part of architectural complexes. In the Taj Mahal the tomb and the garden are combined.

Patron

Islamic architecture provides numerous examples of the influ- ence of powerful personalities upon building activity. Mostly this is embodied in the ruler, the royal patron of architecture. As war was an engaging activity for many of these rulers, in all parts of the Islamic world, it is true that architecture was often at its service and there have survived the most magnificent series of walled citadels and cities with elaborate fortifica- tions and gateways. Those at Cairo, Aleppo and Delhi are among the best preserved. This outer display of force contrasts with the exquisitely conceived private domestic quarters for

the ruler within fortified walls. The reception rooms, courtyards and gardens of Islamic palaces have long fascinated Western visitors who have delighted in the luxuries and personalities of the courts of Istanbul and Isfahan. One significant role of the ruler or powerful individual was the waqf—the donation of buildings for public use. This democratic gesture means that the great urban centres of the Islamic world have always been furnished with baths, hospitals, mosques and commercial facili- ties. In this respect, architecture functions as a vehicle by which gifts can be given to the public and by which meritorious acts can be recorded in inscriptions.

Trade and travel are an essen- tial part of the Islamic economy. Both on land and sea geo- graphers and traders mapped routes from the Atlantic Ocean to China along which travelled goods, languages and ideas. Buildings associated with voyage are one of the unique aspects of Islamic architecture and com- prise minarets, originally light- houses for the guidance of travellers across wastes, caravanserais providing accom- modation and khan or hotels where storage, rest and com- merce were conducted. There were also the urban markets or suqs. Such a movement had its results in the transference of architectural ideas from one part of the Islamic world to the other. This was of great signifi- cance for the development of architectural style and decora- tion.

The technical sophistication of much of Islamic architecture adds greatly to its fascination. Even such features as the pointed arch, which has been accorded a crucial role in the

evolution of Western architec- ture, can be traced to an earlier Islamic usage. The variety of materials employed in Islamic architecture—brick, stone, stucco and tile—led to the preference for different struc- tural devices such as domes, vaults and arches. The virtuoso handling of these elements, par- ticularly in the supporting elements of the structure, lend technical brilliance in solving the problems of enclosing space. Not a great deal is known about the craftsmen and architects of these buildings. Occasionally, the career of an outstanding person- ality, such as Sinan, the great Ottoman architect, is recorded in his autobiography.

Material

Islamic architecture is related to the other arts by its decora- tion. The surfaces of Islamic buildings are richly decorated and there is a continuous de- light in surface ornamentation for its own sake. This decora- tion is always independent of the material of the buildings, as well as its scale. Thus, the same decorative schemes are em- ployed for a dome in a tomb, above a doorway to a house, on a metal bowl or on the front- piece of a Quran. The de- signs themselves may be re- duced to quite simple elements but these are manipulated to create effects of complexity. Geometric designs play an im- portant role in this decoration and are extended into three dimensions to conceal the struc- ture of buildings, inviting the eye to move effortlessly from one plane to another. Calligra- phic quotations from the Quran are of the greatest importance

in architectural decoration be- cause these render visible the words of God. Other texts are of importance because they may record the date and name of those responsible for the foun- dation of a building. Folia- tion is a term given to a further category of architectural decora- tion in which forms are derived from plants, flowers and trees. The arabesque represents the most abstract tendency within this genre.

Perhaps the least familiar aspect of Islamic architecture, and that which is most threat- ened by modern development in the Islamic world, is the vernac- ular tradition. Here, in mud, brick, thatch and flexible tim- ber, are found vivid styles of building from North Africa, the Middle East and the sub- tropical zones of India and

Africa. There is also a architecture, exempli- cause these render visible the words of God. Other texts are of importance because they may record the date and name of those responsible for the foun- dation of a building. Folia- tion is a term given to a further category of architectural decora- tion in which forms are derived from plants, flowers and trees. The arabesque represents the most abstract tendency within this genre.

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Art and decoration

THE MANY exhibitions of Islamic art which are taking place in Britain this spring—an extraordinary and probably unique cultural phenomenon—are intended not only to provide enjoyment but also to explain a culture which is not so alien as it is often made to appear in the West. Alternatively, there are certain aspects of Islamic art which have recently become too familiar—and profoundly misleading: we have had mis-interpretations of the Sheherazade (you can buy ties from Harrods whose patterns are inspired by the Blue Mosque of Istanbul) or we have the exaggerated aware-ness of the arabesque with its infinite expansion; and of course we have the mystical trend whereby every Islamic geo- metric pattern (so some scholars assure us) contains the mean- ing of the universe.

These are all misconceptions of Islamic art and they can only detract from the appreciation of that art for its own sake, particularly because—contrary to most European art—it does not demand complex knowledge of (for instance) mythological themes, and is also, to take another example, free from the propaganda which we accept so easily in European Christian art.

Another popular misconcep- tion about Islamic art is that it is non-representational. This is true only up to a point: admittedly most of the arts of Islam in a religious context—such as in a mosque—reject figural representation, but to extend this throughout the whole field is to be ignorant of the breadth of a tradition of art- painting, ranging from the earliest centuries of Islam in should never lose sight of the 8th- and 9th-centuries (with

examples of monumental wall paintings in Syrian palaces) up to modern times, and which has produced some of the greatest manuscript illustrations of any artistic tradition, in Persia, Ottoman Turkey and Moghul India.

So when we get away from the vast areas of misunder- standing (and "mis") it is "higher" will be the main achievement of the exhibitions of this Festival), we come up against the difficulty of defining an art which is strikingly distinctive in charac- ter and yet so varied and so long-lasting. What makes Islamic art so exciting—and, in a way, so modern—is that it belongs to so many people of so many countries (from Spain to Africa, through the Middle East and into Persia, Central Asia, India and even Indonesia) and for so long a period, more than a thousand years. Yet, despite the differences in geography, in climate, in peoples, in time, there is still a unity in Islamic art which is immediately recognisable and undeniably original. How, one wonders, is this possible?

Adapted

The conquering armies of Islam had found themselves in countries like Syria—where the first Islamic imperial dynasty established its capital—which were rich in classical and Byzantine art and architecture. Almost immediately, these buildings and this art were adapted to Moslem use, and Islamic art began to develop its own charac- ter. There was always of course a great debt to previous cul- tures, ranging from the earliest centuries of Islam in should never lose sight of the 8th- and 9th-centuries (with

whole of Islamic art—the ten- sion between two artistic worlds: that of the Medi- terranean late-classical world transformed and readapted to Islamic needs, and that of the various Eastern strains and civilisations, notably the Chinese. Thus, up to the 13th century it is a dominant Medi- terranean entity (which has its equivalent in Europe in the development of Romanesque); and after the 13th century it is the Eastern cultures of Persia and beyond which dominate and Europe has only minor artistic motifs to offer—that is, the focus is by the 13th century on Ottoman Turkey, Safavid Persia and Moghul India; on Istanbul, Isfahan, Delhi, Agra and Fatehpur Sikri.

Nevertheless, and without contradicting this historical scheme, Islamic art was also from its very beginning highly original and its basic principles are already defined. The reason why Islamic art is so consistent and long-lasting is that it is an art not so much of form as of decoration. And Islamic decora- tion is flexible and independent of material and scale. This gives it tremendous possibilities of originality and variety of styles. The fact that there is not one type of decoration for one type of building or object but one decoration applicable to all types of buildings and objects means a very close relationship between the arts of Islam—architecture, painting, textiles, metalwork, ceramics, etc. This all-pervading quality of Islamic art is evident in any exhibition, where it becomes clear that (contrary to most exhibitions of Western art) the objects on show should not be imagined as single creations, freestanding and unique, but only as part of a total, coherent and continuing environment.

It is not therefore too surpris- ing to discover that Islamic art is not the art of individual artists (though there are excep- tions such as the Ottoman architect Sinan or the Persian painter Bihzad) but an art geared to collective living and to the society of everyday life. The peculiarly Islamic fascina- tion with non-representational decoration led its artists to create the most extraordinary complex geometric patterns which play on optical effects of the greatest subtlety. Each motif suggests a repetition ad infinitum, symmetrical and bewilderingly complex. The eye is meant to be dazzled and the mind intrigued. Patterns are limited in that they are circumscribed by a frame but at the same time they are infinite in that they have unlimited possi- bilities of expansion. For instance, floral decoration pro- vides a wealth of motifs which are mostly naturalistic in appearance but still organised on underlying geometric grids and with the motifs often com- bined with calligraphy. Partic- ular attention is paid to principles of repetition and continuous permutation of the motifs and designs which recur again and again regardless of period, material or scale.

To those looking at it for the

first time Islamic art seems to be free of the visual tensions and iconographic complexities of Western art. This initial reaction is not substantially altered by a deeper acquaintance with the range of Islamic objects and buildings. There is indeed a sense of repose which seems surprising for an art which apparently does not sim- ply—on the contrary, all the efforts of the craftsmen and artists who were responsible for the extraordinary tile decoration of Iran or the intricate wood and stone carving of Mamluk Egypt aimed at effects of rich- ness and complexity. This rich- ness and complexity, however, can always be reduced to a simple underlying geometric structure.

Overlay

The decoration is meant to apply to the whole range of the arts—to cover buildings as well as small objects with a map- ple or an overlay. It is a type of decoration, it must be noted, which is not meant to underline the structure of the building or the form of the object—on the contrary—but to accentuate the flexibility of form and space. Like water (which is so much a part of Islamic architectural decora- tion) Islamic decoration attempts continuously to reflect and multiply patterns and in so doing to provide a cool refuge for the eye and mind. This is best is dynamic and unchang- ing. The proof lies not in a recital of the principal schools of Islamic art throughout 1,000 years, nor even in the coffee- table volumes whose illustri- tions expensively make the point, but in the first glance at the contents of a museum, an exhibition or a private collec- tion.

The flexibility of this decora- tion—independent of form, materials and scale—seems to be based on formulae: calligraphy (the all-important art of writing), the use of geomet- ric principles and, in architec- ture, the repetition and multipli- cation of structures based on the arch and applied out of context as decoration, becoming in this latter sense a part of the decoration even of objects such as ewers or minbars. To all these the basic floral and figura- tive motifs are added. This decoration unifies Islamic art throughout its thousand and more years, despite all the local variations and the historical digressions.

It also helps explain why there are no masterpieces in Islamic art. There are no unique, single, individual masterpieces, as we in the West conceive the term, because it is an art which can only be con- sidered in its entirety. The greatness of its art lies beyond the individual work because in Islam any work of art embodies as some extent all the essential characteristics of Islamic art. There are only differences in the quality of execution. The motifs and designs which recur again and again regardless of period, material or scale, are constant.

Dalu Jones

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WORLD OF ISLAM IX

Great collections of Islamic art

MAJOR public collections of Islamic art in the West are the most unappreciated of non-Western "exotic" museums of Paris and Vienna and Berlin, and Washington and New York, and every country in the world has its own collection of Islamic art. The fact that the Metropolitan Museum of Art in New York has a collection of Islamic art is a testament to the fact that Islamic art is not a thing of the past, but a living art which has been and is being created in the modern world.

Of course the Met has its rivals. Other museums will have finer, more, or unique objects than the Met. For almost any category one might care to name, it would be hard to imagine better or more important manuscripts than those possessed by the British Museum (now the British Library) or the Chester Beatty Library in Dublin (almost uniquely, however, a collection of the Oriental arts of the book), or the Library of the Topkapı Palace in Istanbul. Indeed, anyone interested in such esoteric pleasures as Islamic painting could happily spend a lifetime travelling between London and Istanbul, with occasional trips to Dublin, the Bibliothèque Nationale in Paris, and the Public Library in Leningrad.

On the other hand, if one's interest is in carpets, there is no question but that one would go to Berlin—especially if one were to have gone before World War II. The "bomb" explosion that burned a number of the largest rugs is an irreparable tragedy of the war, and the Islamic collection, among the most encyclopaedic assemblages of Islamic art in the world, was further mutilated by the division of the city after the war. Although the entire Islamic collection is now handsomely displayed in the quarters in Dahlem, most important carpets are to be found in the Österreichisches Museum für ange-

Painting
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Impact of modern literature
The historical romance and the historical novel enjoyed a wide vogue for a while both on account of their appeal to an awakening national consciousness, and on account of their affinity with popular medieval romances that had for a long time been the mainstay of social and aesthetic entertainment all over the Islamic world. (These sub-literary romances usually frame stories embodying various episodes and are perhaps most familiar in the West in the example of the Arabian Nights.)

However, historical novels in which the characters were left undeveloped in their historical setting continued, like the translations from Western literature, to have little or no relevance to everyday contemporary life in the Islamic countries. One might add in this connection that the more original attempts at writing novels or dramatic works which tried to correct this failure and reflect local life and local settings, continued for a while to be too much concerned with form and technical requirements, to allow for any concentrated attention on fundamental issues involving both author and reader alike.

In the field of poetry it is open to question whether it was the lyrical tradition, of long standing in the Islamic countries, or the metaphysical and transcendental content of much of the romantic poetry in the West, which made it appeal to Islamic readers. But it is generally conceded that the influence of the romantic poets of the West was instrumental in introducing a new orientation in the form and content of the poetry of the early part of a socially "committed" literature.

Controversy
But without necessarily taking any extreme views on such an issue, the term "romantic" is perhaps a convenient way of distinguishing the literature of the inter-war period as a whole from the social realism in literature which asserts itself from the Second World War. The sociological novel seems to be the vogue for a while, and scores of such novels appear in various capitals of the Islamic world, some of which are the best social documents we have. Nor did active literary circles in the Islamic world in the 1930s remain uninvolved in the controversy concerning the poetry of the early part of a socially "committed" literature.

wandte Kunst in Vienna, while the Victoria and Albert Museum has perhaps the best overall collection of Islamic textiles. In the U.S. the much smaller and specialised Textile Museum in Washington has a fine collection of Islamic rugs and textiles, while some of the most important early Islamic textiles are to be found in the Cleveland Museum of Art in Ohio, which also has a fine general collection of Islamic art; as do the Burton Museum of Fine Arts and the Los Angeles County Museum of Art.

European social and political history has significantly shaped certain aspects of the major European collections of Islamic art. Vienna was heir to the booty left by the Ottoman Turks after their unsuccessful siege of the city in 1683. Colbert's agents throughout the Middle East laid the foundations for French collections that have been increased ever since by the gifts of private collectors.

Ceramics
Teheran has been for less than two centuries the capital of Iran and presents a correspondingly different picture. Persian Islamic art has long been dispersed and is found in collections all over the world, from Alabama to Tokyo, where in the Idemitsu Art Gallery may be seen the Persian ceramics that appealed to a collector in a country with a distinctive ceramic tradition of its own. National collections are being formed to-day in Iran on the basis of private acquisition on a scale unmatched anywhere else in the Moslem world at present. The Qajar art of the new Negaristan will come to mind, the paintings, lacquer and enamelled gold of the late 18th and the 19th century; but earlier Persian ceramics and metalwork are also being collected and in the future will probably swell the primarily archaeological holdings of the Iran Bastan Museum.

Finally, mention should be made of the existence of a collection of Islamic art in that least obvious of places, in Jerusalem, in memory of the noted scholar L. A. Meyer: a private fund has provided for the formation of a representative collection of Islamic art. It is one that deserves to be far better known and utilised than it is at present.

Dr. Eleanor G. Sims
The best collection of objects and architectural decoration from the first creative period of Islam when its capital was Damascus is not surprisingly in Damascus itself. Virtually everything excavated from the ninth-century palace-city of Samarra is in the 'Abbasid

Palace Museum in Baghdad. Cairo has superb Islamic woodwork, metalwork and textiles, all important local medieval industries. Istanbul, Moslem capital for the longest continuous time and as a Moslem capital never invaded, preserves virtually every kind of object made in the Empire for the Ottoman Sultan and his immense household, from tents and weapons to seals and book-binding implements. Smaller museums in Turkey are also richly endowed, particularly the Museum of Turkish and Islamic Art, formerly the Museum of the Office of Pious Donations. As its newer name suggests, it holdings go beyond Ottoman art, and its early carpet collection is unsurpassed in importance, while the Ethnographical Museum in Ankara and the Konya Museum preserve mosque-furnishings of a kind unknown outside museums except in Cairo and London.

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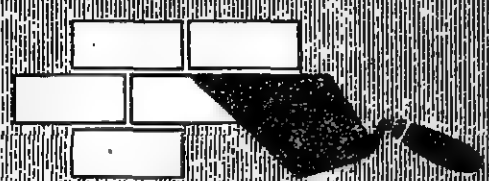
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The pitfalls of collecting

COLLECTING ISLAMIC art has been a recurring temptation in the Western world for the past two centuries. Richard Johnson, an East India Company servant, was probably the first Westerner who ever acquired Persian miniatures for art's sake, as Basil Robinson tells us in his masterly catalogue of Persian Miniature Painting published by the Victoria and Albert Museum in France, the Duc de Blacas was collecting metal work as early as the Charles X period (1824-1830). Yet, while bronzes from archaic China, which were only discovered in the twenties, or early Ming blue-and-white porcelain, which was properly identified after World War II, are now major targets for collectors and investors, Islamic art remains surrounded by an atmosphere of ambiguity, even suspicion. Prices go through extravagant ups and downs and the field is often believed insecure by art market professionals—not without reason.

Variety

This ambiguity and resulting diffidence are due to a number of factors. The very impression of what is meant by "Islamic art" may have been psychologically devastating; no serious attempt has been made at defining it. The variety of cultures within the "House of Islam," as the Arab phrase goes, is enormous and the resulting diversity of aesthetic trends bewildering to the layman. Far more damaging, however, is the dearth of documentation. Excepting miniature painting, research has hardly begun in most fields. Supposed reference books are few in number and too often unreliable. The monumental Survey of Persian Art, to take but one example, for all its merits as an invaluable collection of plates, includes some fakes or made-up pieces, and so many mistakes as to make it almost unsuitable for the layman. A fine piece in the Louvre illustrated as a "box" is in fact made up from the lower part of a 14th century candlestick from Iran and a cover from a Mesopotamian or Syrian footed bowl; a mere glance at the Persian verses celebrating the candle should have warned the writer that this could only be a candlestick and therefore had been tampered with. Financially such a piece is worth one-tenth of its normal value.

Comparable problems may arise in the art of the book

although the latter is on the whole much safer. In the fine catalogue of Persian and Moghul Art published by Coinaghi's, Basil Robinson draws attention to the fact that the colophons of a manuscript have all been interpreted with and must be interpreted with a trained eye. In the same catalogue, a fine miniature signed "Reza" is framed by poetical lines which form an incoherent sequence suggesting they were cut out from a page and reused to "embellish" the miniature. These are details that do not simply matter to the pedantic scholar but have a vital bearing of financial value.

In short, knowing the languages, essentially Arabic and Persian, and the ancient scripts is almost a must. In order to detect faking, which has become a rather serious problem in recent years, it is indispensable for it is often the main criterion. Some years ago, a manuscript supposedly a unique copy of a hitherto unknown text illustrated in an archaic style relating to 10th century pottery from Eastern Iran was shown to be a fake by an Iranian scholar. He found out that some of the unknown "archaic" Persian words derived from the ancient Pahlavi language were borrowed from a dictionary published after World War II—reflecting some of its characteristic misreadings. In the meantime however, the manuscript had been negotiated at reportedly huge prices and split between two American museums. In some fields, scholars have had fierce squabbles, the latest on record affecting textiles that have been dated to the 10th and 11th centuries and taking up whole volumes published by the International Centre established at Lyons. Occasionally, loud words are heard in auction rooms as in Paris, on April 10, 1974. A French expert stood up as a miniature (published by Maréchal and Vever at the turn of the century) was laid on the block, and asked across the room "Are you sure that it is genuine?" starting a nice Gallic row. The miniature went up to Frs.363,000. Later, the buyer was beset by doubts. Quite recently an alarming degree of skill seems to have been achieved concerning the imitation of excavated metalwork: palaeography, more than ever, is the ultimate recourse.

Inevitably such uncertainties affect the market. Prosperous at

the turn of the century, it rose again to a peak in 1929 to decline thereafter and plumb the depths after World War II. The art of the book recovered slowly at first. On November 16th, 1957, the leading Paris auctioneer knocked an incomplete but superb manuscript with 15 miniatures of the School of Shiraz completed in 1581 for less than Frs.400,000—about £1,600 to-day. Since then, prices jumped up, reaching enormous heights with a very slight ten-



A unique 12th century bowl and cover from Khorassan, Iran, sold in Paris in March for Frs.5,220.

dency towards a decrease in the last two years. A rare manuscript with 44 miniatures of the Herat school dated 1399 brought \$250,000 in May 1975 at Sotheby's. On March 10th this year another larger, far more important manuscript from Shiraz with 38 miniatures made only Frs.998,000 in Paris. Both went to agents of Queen Farah. The latter no longer have "buy" bids as they did until last year. They consequently missed a superb Nezami manuscript with 27 miniatures completed in 1527 by one of the greatest calligraphers sold for Frs.580,000 to a collector living in France. Separate miniatures can be infinitely cheaper and vary enormously, not just according to quality, which would be understandable, but even more so according to how and where they sell, and sometimes for no reason at all. By and large, this is due to the fact that potential buyers are few in numbers. On October 28th, 1975 in Paris a small but very fine miniature 6.3 x 10.6 cm. of the Shiraz school only sold for Frs.2,320. At the Paris March

sale where the Frs.998,000 Shah-name from Shiraz appeared, an excellent miniature of the same school was knocked down at only Frs.6,900 to the Iranian dealer Hosayn Afshar of Paris. This comparative weakness reflects the narrowness of a market on which the sudden restraint of one major buyer—the Court of Iran—is enough to affect prices.

This slight decline is one of the more perceptible on the market for Moghul miniatures

handled by Sotheby's aroused great expectations among dealers. Prices rose as high as \$400-\$500 doubling or trebling the previous level. Thereafter, it leaked that one or two dealers felt disappointed in their buys. They found some pieces more heavily restored than they had imagined. Prices slumped again. Things changed only in the 1970s with the stepping in of Iranian dealers, buying chiefly with a view of reselling to the Persian court. From then on prices started zig-zagging crazily—and still do.

Last March, in Paris, an observer who would have known something about Islamic pottery but nothing about the peculiar market conditions would have thought dealers must be mad. On March 10, at a heavily advertised sale, two 13th century turquoise-glazed bowls of no special merit dramatically rose to Frs.4,640. Only two days before a honey-glazed bowl from Syria with incised designs of the same period infinitely rarer, which had the added distinction of being unbroken and retaining a marvellous glaze, was knocked down at Frs.232. And a fortnight later a 13th century lustre-glazed ribbed ewer from Iran of unquestionable authenticity was bought in at Frs.1,824.

Much the same vagaries affect metalwork often, within a single sale. Taking the March 10 sale as an example, the world auction record for a piece of metalwork from any Islamic country was established there when a unique Khorassan candlestick of the late 12th century with all its inlay intact except for some reinforcing went up to Frs.350,000. From Frs.140,000 up, the bidding was entirely fought out between two Persian dealers. At the same sale an equally rare ewer of the same period illustrating a previously unknown style made Frs.26,900, a related sprinkler unique for its shape Frs.5,200, a superb engraved bowl and cover the same price, and rarest of all, a 10th century oil lamp from Khorassan complete with legs, cover and handle—the latter generally missing—Frs.1,790. Needless to say, at the more "ordinary" sales, variations are even greater and on the dealers market almost anything is possible.

Vagaries

These vagaries reflect the uncertainties of historical assessment and the whims of Eastern dealers. They are made possible by the almost complete absence of any collectors in Europe with one notable exception in London—but the collection is now believed to be "closed"—and another in Paris. The contrast with such fields as Turkish ceramics from 16th and 17th century Iran, where the problem of fakes hardly arises, is complete. The latter find buyers at steadily high prices within the £500-£5,000 range—and up for outstanding pieces—both in London and Paris. By and large, the other categories, particularly excavated pottery and metalwork, simply frighten off

The broad scope of the festival

THE FIRST and most obvious reason for making a claim for special distinction on the part of the World of Islam Festival is the sheer size and scope of it. This is most immediately apparent in the exhibition side. Major exhibitions have been mounted on a number of different aspects of Islamic culture, but these only represent the official exhibitions which have been organised in direct link with the Festival Committee and are, to some extent, sponsored by it. In addition to these exhibitions, a number of others have been organised privately by interested organisations, ranging in scale from the major exhibition on Islamic Art and Architecture in Libya at the Architectural Association to a number of much smaller ones concentrating on particular aspects of Islamic culture within specific countries or crafts, but no less interesting on account of their scale.

It is with these exhibitions which I propose to deal in some detail. First, the major Libyan exhibition: this presents Islamic Art and Architecture in Libya for the first time, and is divided into three main sections: Tripoli itself, archaeology, and vernacular architecture; and will last until May 6, at the Architectural Association. Another architectural exhibition is concerned with medieval monuments in Jerusalem and will be at the Institute of Archaeology from May 15-July 31. The theme continues with a photographic exhibition of Islamic architecture in Iran at the Concourse Gallery, Polytechnic of Central London, from April 5-May 7, and takes a modern dimension with the exhibition of contemporary mosques in the Commonwealth Society from April 3-May 15.

At the Photographers' Gallery there will be an exhibition of 19th century photographs of Isfahan from April 8-May 1, and at the Royal Photographic Society photographs of Oman during the month of June. There will be an exhibition of

PRINCIPAL EXHIBITIONS IN LONDON
ARTS OF ISLAM, Hayward Gallery, South Bank, S.E.1. April 9-July 4.
THE SCIENCE AND TECHNOLOGY OF ISLAM, Science Museum, Exhibition Road, London, S.W.7. April 8-August 29.
NOMAD AND CITY, The Museum of Mankind, Burlington Gardens, W.1. April 7-June 30.
THE ARTS OF THE HAUSA, The Commonwealth Institute, Kensington High Street, W.8. April 6-June 30.
MUSIC AND MUSICAL INSTRUMENTS, Horniman Museum, London Road, Forest Hill, S.E.23. April 6-October 6.
THE QURAN KING'S LIBRARY, British Museum, Great Russell Street, W.C.1. April 3-August 15.
ISLAMIC PAINTING IN INDIA IN THE TIME OF THE MUGHAL EMPERORS, Akbar, Jahangir and Shah Jahan, British Museum, Great Russell Street, W.C.1. April 10-July 11.
PERSIAN METALWORK, Victoria and Albert Museum, Cromwell Road, S.W.7. April 1-May 30.
CONTEMPORARY ISLAMIC ART AND DESIGN, Percival David Foundation of Chinese Art, 83 Gordon Square, W.C.1. May 3-June 25.
ISLAMIC ART AND ARCHITECTURE OF LIBYA, Architectural Association, Bedford Square, W.C.1. April 2-May 7.
ISFAHAN IN CAMERA 19th CENTURY PERSIA THROUGH THE PHOTOGRAPHS OF ERNST HOELTZER, The Photographers' Gallery, 8 Great Newport Street, W.C.1. April 3-May 1.

19th century paintings of Palestine at the Palestine Exploration Fund, also in June. In May, there will be an exhibition of early Islamic works of art at the Ahuan Gallery, Pavilion Road; in April, Islamic pottery from Gurgan at Bluetts in Davies Street; and also during April, 500 years of Indian miniature painting at Spinks. Sotheby's will be having an Islamic Week from April 12-17, while a special exhibition of Islamic arms and armour will be held at the Rotunda Museum, Woolwich, throughout the period of the Festival.

This exhibition programme is supplemented by a whole series of other programmes, covering the performing arts, with a whole range of concerts and musical performances of one kind or another, a major publishing programme, a film programme and an academic programme which, in itself, must be one of the largest ever created for one subject. Comprising some 140 public lectures, 11 major conferences and colloquia and the co-operation of 24 of the leading learned societies in the country, each of which is arranging, at least, one lecture to coincide with the festival, this represents a complete university course and, it is hoped, will bring the festival to the attention of a considerable number of people with considerable educational effects.

Carpet

There will be, at least, two carpet exhibitions, one at Jack Frances of Piccadilly in April/May, and one during June at David Black Oriental Carpets, Portland Road, while the more contemporary scene will be represented by paintings of Arabian scenes at the Mafah Gallery, Motcomb Street; Contemporary Islamic Art and

necessity taking place in London, but the need to establish a number of important points outside the capital was appreciated at an early stage in the planning and two of the festival exhibitions will take place outside London and will, in fact, never be seen there: the Carpets of Central Persia in Sheffield and the Qashqai of Iran which starts in Manchester and will then tour a number of northern cities, including Kendal and Durham. Since the initial planning of the festival, a number of other institutions in different parts of the country have also decided to stage exhibitions. In Exeter, there will be a major exhibition entitled Iranian Architecture and the Mosque at the university during May, and also the Exeter Islamic Exhibition at the Royal Albert Memorial Museum throughout the Festival.

In Manchester, in addition to the Qashqai Exhibition, there will also be exhibitions on Prayer and the Mosque, and the Islamic Bow in Art and War, both at the Manchester Museum. At Oxford, there will be an exhibition to accompany the lecture series, Islamic Themes in European Art, at the Ashmolean Museum, from 24 April-27 June.

In Edinburgh, in addition to the permanent Islamic collection, the Royal Scottish Museum is mounting a display of Qajar arts from June-September, and from 10 July-August, the exhibition Isfahan in Camera, photographs of nineteenth century Isfahan will be at the Talbot Rice Centre.

While the whole theme of the Festival is essentially educational bringing a wide selection of Islamic culture to the West for the first time, at an early stage the importance of some prior education to enable the Festival to be that much more appreciated was proposed. This has entailed working closely with a number of educational establishments throughout the country and much travelling by a small group of dedicated people.

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'Steady as we go'—at least for now

RRIVAL of Mr. James Callaghan (and what is in at what Disraeli, in the point of sucking Lord situation, called "the Elwyn-Jones in order to produce the greasy pole" marks Mr. Sam Sukin? nearly n of a new era... or all the sacrificial candidates... The new Prime present serious difficulties. Mr. is a man of sensitive Fred Peart and Mr. John Morris o put it mildly, and he is faithful Callaghan sup extremely anxious to porters. Mrs. Barbara Castle s soon as possible hurt and Mr. John Sukin are close gations, thrown around friends of Mr. Michael Foot the campaign for the friends protecting wings are up, that he is nothing the time being very powerful. istinctive than a third... Mr. Edward Short is the rson of Mr. Harold... elected Deputy Leader of the We may therefore Party add cannot be summarily a number of gestures... dismissed. Mr. Harold Lever is i to mark an immediate worth a good many hundred with the past and to million dollars to the reserves, a Callaghan stamp upon and Mr. Fred Mulley is a promi nent trade union member of the National Executive. Mr. Bob Melish, the Chief Whip, is do. There are major constraints tending to popular in the House of Com any such dramatic break mons as well as being an influential figure in the London on one side to the Labour Party. Mr. Callaghan likely to appear over oaths. Such changes of these the upper ranks of the paladins, but the only two members of the Cabinet who are easily expendable in politi cal terms are Mr. Willie Ross and the wretched Mr. Prentice.



Mr. James Callaghan, the new Premier: a man with a strong sixth sense, and an excellent salesman of political wares.

Expedient

Behind the problem of how to deal with particular individuals, however, lie two deeper difficulties. One is the general question of what to do with the victims, once they are chosen. The normal expedient of putting them out to grass in the Upper House is not feasible at a time when the Opposition Party is ahead in the opinion polls. By-elections are the last thing Mr. Callaghan desires at the present time. On the other hand, the prospect of having

discontented older statesmen—particularly Left-wing ones—scuffling about on the back benches of the House of Commons is not terribly attractive either.

The fundamental puzzle for Mr. Callaghan, however, will be how to maintain the balance of the Ministry. The trawl for talent on the back benches during the Wilson years has produced a Cabinet which shows a fair balance as between Left and Right, union members and middle class, and between the various regions of the country. But the whole structure has no more than a card-castle stability, because the adminis-

trative talent of the Parliamentary Labour Party is so unevenly spread. One looks in vain in the second rank for really able Left-wingers and there is now a distinct shortage of trade unionists. The section of the Party which is hopelessly over-stocked with ability is the Right-wing—who cannot be promoted, for political reasons, except into the place of Right-of-centre Cabinet Ministers. And they, on the whole, are the ones Mr. Callaghan can least afford to lose.

For all these reasons Mr. Callaghan has a very tricky week in front of him and though he will doubtless give himself as much immediate room for manoeuvre as he can, we should not regard his first round of appointments as the definitive guide to the way his mind is working. Even the top appointments may leave some room for second thoughts in the autumn. If Mr. Jenkins goes to the Foreign Office, for instance, it does not necessarily mean he is not going to Brussels in January. If Mr. Crosland becomes Foreign Secretary it is quite open to Mr. Callaghan to swap him with Mr. Healey after some convenient interval; and if Mr. Callaghan were to run the Foreign Office in tandem with

the Prime Ministership (which is not quite inconceivable) the ally, enable the Government to field would naturally be wide open for subsequent change. This whole question of personalities is naturally important to the Chancellor, who has the ship, which cannot for the moment be altered. But the clarity of the Callaghan imprint on events is really going to depend on whether he is prepared to intervene in order to manipulate the personalities—and if so to what end. Will he succeed in doing so if he tries? It is one thing to shuffle cards into neat new piles. It is quite another thing to play them. It is worth recalling Harry Truman's remark on handing over the American Presidency to General Eisenhower: "Poor old Ike. He just won't understand it. He'll say 'Do this' and 'Do that' and nothing will happen."

Mr. Callaghan is no innocent in Whitehall as Eisenhower was in Washington. He is an experienced administrator and Whitehall fighter. Nevertheless, there is a very considerable difference between being head of a large department and being an effective Prime Minister. Mr. Callaghan's strengths in tackling the job are: first, a strong political sixth sense. He can see trouble coming a long way off and is extremely adept at steering clear of it. Second, he is a very able negotiator and negotiator. Third, he is an excellent salesman of any Government's political wares. These are considerable assets. They will keep the Government on an even keel from day to day for they are the arts of Chairmanship. In the longer term they will tend to keep the political temperature of the

country down and, most crucially, enable the Government to cajole and where possible to outflank the trade unions. His weaknesses will tend, as most people's do, to be the obverse of his strengths. He is disposed of the problem. He is a rapid but (unlike Mr. Wilson) a superficial reader of briefs and papers, relying on his commonsensical qualities to carry him through. When confronted with absolutely determined resistance he is liable to cave in, for when the conciliator's skill has failed there is often no hard core of soundly-based belief on which he can fall back. In short, he is weak on policy and being intelligent enough to know it, often takes refuge in superficial judgments which he is capable of holding to with a kind of blustering fervour.

Support

A man of this kind requires a particular type of support: for one thing he needs a staff which can supplement his instinct for when things are going wrong with facts and well-researched options; which will process the day-to-day business of government so that he can understand issues in a way that is not simply political; which will prevent him clutching the nearest consensus without making him its own prisoner. Such a machine is not going to be easy to put together for a number of reasons. One is that it is not the kind of task that the British system is well adapted to, though Mr. Bernard Donoghue's policy unit at 10, Downing Street, is perhaps a rudimentary attempt to fulfil it.

The other requirement is a series of political alliances which he can rely on. Mr. Merlyn Rees obviously provides one such but who will be the others? Mr. Foot and Mr. Healey, his erstwhile rivals, are bound to form the central core of the Ministry and it is possible that Mr. Crosland, who has always got on well with the new Prime Minister, may have some influence. But will Mr. Callaghan be able to exchange with these men, or anyone else, enough real confidence to wield an effective team of them? It is an oddity of Mr. Callaghan's career that he has made so few close allies on the way up. Mr. Wilson when he came to power had a good many links already forged. Mr. Foot, if he had won, would have had his own devotees. Mr. Callaghan has always been ultimately the rat that walked by himself. That has been part of the secret of his acceptability on all sides of the Party but it may also, by a paradox, be something of a disadvantage now he is Prime Minister. He needs friendship over and above the shifting patterns of mutual advantage which life at the top of politics throws up. The trouble is that trust of this kind is mainly the product of shared ideas over a long period. For the first time in his life Mr. Callaghan may feel the disadvantages of being a man without an ideology.

Letters to the Editor

test touch GATT

Professor A. J. Eccles

Samuel Brittan is beginning to worry me. In the course of his dismissive comments on controls (April 1), he says anyone would suggest that car output would be with controls. Well,

influenced by recent work, working in the car industry, I can assure you that the "Think Tank" and our near willingness (Chrysler go?), a pool of unemployed, a sustained to raise industrial production all those investment crying out for fruitful

not inevitable that there are shortages, even in the m, for there are factories producing goods for markets with port penetration where management and workers e delighted to increase Nor would the goods be inferior in quality. ents about retaliation like excuses for a lack of courage. Why in France and the U.S. more resources at their markets with non-quota barriers on their Remember those Japan-ritmas which needed to eed narrower to meet "ations? When it comes goods, the U.K. must oftest touch in GATT, an has sought to expand deride the uncertain-ort controls and has is than fair to the uzzles which affect the

also worries me at a vel. I have long been of an undercurrent, to Britain's workforings. Rarely an article without some shade bout labour behaviour. e this may make him i the City and in White-nder if Mr. Brittan's antipathy towards labour is not in danger ing his judgment of potential. It is almost there is a desire to e populace or at least e recent, an impression by such remarks as employed, who will n the delay in seeking n. Still one must be or small mercies. He suggested that Mr. d other heretics should. At least, not yet.

of Business Policy, xt of Management, niversity of Glasgow, orders,

ch

Kenneth Wood, strong case has been a reduction in the a of manufactured import control or a. There is, however, id simpler method of much the same result. tive action. Government controls a rtion of national ex- and can have an effect on the level of hile a clear prejudice goods may not be EEC game it would from the attitude of ments. e building industry is ere the element of at least certainly far

higher in the U.K. than in most European countries. We are probably the only country to put a large domestic timber industry which uses imported timber for the floors of two-storey houses.

Before the war all house around floors were timber but this was replaced by concrete. This is Mr. m's first major problem expectations have now roused about a "new which prudence will hard to fulfil. A radical implies a certain of butchery. But who slaughtered? Leaving

Government by polls

From Mr. J. Adams

Sir, Mr. Antony Thorneycroft (April 1) condensed four hours of discussion into two paragraphs under the heading "Government by polls." An unfortunate result of this was that my point of view was totally misrepresented. Far from "seeing the initiative by suggesting government by opinion poll," a central sentence in my paper was "There can be no question of survey results being automatically translated into policy." I did, however, go on to say "The art of blind obedience has been lost in all areas of society, probably never to return. Consent is now the word, and a Government which tries to govern without it faces an unnecessarily difficult task."

There is in fact a good deal of market research currently commissioned by Government, both national and local. My case was that its use should be systematic and the results placed on record. Much political discussion starts off with statements like "My opinion, which I believe to be widely shared." For it to begin with known facts about which opinions are shared by whom, would be considerably healthier and more democratic.

Partnership assessments

From Mr. J. Cunningham

Dear Sir,—Mr. Jack Ross has rendered a service to readers in pointing out (March 31) the deficiencies in the article by "Justinian," on partnerships. A point that Justinian did not mention was that the Revenue has power of assessment on post-cessation receipts in a partnership or sole trader situation. A further benefit, however, that was not discussed by the article was that professional persons whether in partnership or practising in their own name are able to claim a "cash" basis of assessment, which bearing in mind the traditional high level of debtors and work in progress found in a professional business, is a material advantage in terms of the time or cash flows for tax purposes. James P. Cunningham, Cunningham and Company, 130, New Walk, Leicester.

North Sea safety

From Mr. J. Wilson

Sir,—David Fishlock's informative article on North Sea safety (March 31) leaves a number of

questions hanging in the air. It gave the impression that the last significant disaster in the North Sea happened ten years ago to the Sea Gem. But what about other serious incidents involving pipelines, semisubmersibles and platforms, such as Deep Sea Driller, Transocean III and the Phillips Group's Alpha as platforms, for example?

There have, of course, been many notable advances in offshore engineering, but another question is posed by the fact that these advances have arrived too late to be any use to some major items of equipment now installed in the offshore fields. What about steel platforms installed before the recent upwards estimate of the Hundred Year Wave?

David Fishlock quotes Pat Smedley of Lloyds Register who echoes many North Sea operators when he says that many structures have been over-designed. But at a recent conference of structural engineers and welders at which Mr. Smedley was present there was a divergence of opinion among delegates as to the design life of BP's Forties steel platforms, for example. One delegate said 25 years and another said 30. No one answered my question as to the probable error in either of these estimates, but leading engineers engaged in offshore engineering have expressed doubts about the accuracy and consistency of their calculations on phenomena ranging from fatigue and corrosion to the effects of marine deposits on the real value of ultrasonic testing of welds.

No one would want to deny the many considerable engineering achievements that have been and are being made in the North Sea. On the other hand, the reality of North Sea safety is far less comfortable than many people involved seem willing or able to admit.

John Wilson, 16 West Kensington Mansions, North End Road, W.14.

Postal revenue increased

From The Director, Public Relations, Post Office

Sir,—Postal revenue has not suffered as a result of the 1975 price changes. It has, indeed, very much increased. Mr. Woolf (March 27) calls for internal economies. Strong measures are already being taken. In fact during the current year the postal service has saved £55m. in running costs and further economies will be made during the coming year. It is for these reasons that Sir William Ryland has been able to state quite plainly that a postal business will hold its basic letter rates stable at least until the end of July and, hopefully, for some time beyond that. Incidentally, Mr. Woolf seems to have misheard Sir William Ryland's comments on the radio broadcast last December. Revenue at Christmas 1975 was up from £68m to £100m. R. E. Abbiss, 22, Howland Street, W.1.

Productivity is the key

From Mr. B. W. Small

Sir,—Mr. Wright hit the nail on the head in his letter March 31: "Productivity is the key" where he suggests "raising productivity at the practical level is the critical factor in solving our economic woes. Furthermore, raising produc-

tivity is not as difficult as some might imagine.

Technically it's mostly been done before. It need not involve bold investment decisions. It does need major commitment by senior managers to create the environment in which their teams can achieve results. It also means relieving middle managers of some of their paper work and encouraging them to spend as much time as possible on the shop floor. Raising productivity is mostly a shop floor business.

In many companies it's often tougher to get minor investments through the system than the major ones, that tend to get board attention. Key minor investments in tooling, additional handling aids, etc., can have a major impact on the utilisation of existing high investment equipment and output per employee. There are many examples where investments of a few thousand pounds have been paid for in less than six months by productivity improvement.

Custom and practice developed over the years is always the change. It needs conviction and dedication. On the other hand lots of potential improvements already exist in the minds of shop floor supervisors and operators, some involving money at all. Every individual in industry is being hindered in some way from doing his or her job. In my experience, a sincere and practical interest in solving these problems pays productivity dividends.

It also creates a belief in the shop floor that the bosses are vitally interested and concerned. This is probably the biggest hurdle of all for interested managements to overcome. B. W. Small, Director, Ingersoll Manufacturing Consultants/Engineers, Daventry, Northamptonshire.

Design in industry

From Mr. P. Kent

Sir,—Raymond Plummer's arguments (April 1) for greater visual literacy are again part of the outdated intellectual design baggage of yesteryear. Design is dominated by pundits and aesthetes from the visual arts—what it lacks is commercial nose. The chairman of the Design and Industries Association (also April 1) calls for more education on the assumption that the great unwashed in this country cannot perceive the value of good, British design. This is palpably not the case because these are the same people who account for successful sales of, for example, imported Danish furniture, Swedish cars, Japanese cameras and German machine tools. If the better-designed foreign products can be successfully sold in our markets, one can only conclude that British design has failed to get itself across.

The eccentricity of design is aggravated by its failure to create a mercantile base for itself. Design is part of an entrepreneurial activity. Obviously not everything that sells well is good design, but to be described as "good" designs must be economically successful. Design in industry is about making products in quantity. The greater this quantity becomes, the more likely it is that the product can be cheaply and widely sold. Production in quantity means distribution in quantity. The more effective this distribution is, the more products can be made. It is ironic that, if designers want to ally themselves to this process, they should

confine their thinking to the products alone, whereas it is distribution that determines the success of the game. Designers have to join in the whole game and not just the fun, creative bits.

If design is an art it must be a performing art—with a clear eye on the box-office. Peter Kent, 64 Dry Hill Park Road, Tonbridge, Kent.

Costly export intelligence

From Mr. M. Bolton

Sir,—I have been horrified to receive from the British Overseas Trade Board a circular letter dated April 1 (a significant date I feel) indicating that the cost of the Export Intelligence Service Daily Gazette is to be increased to £400. This may not seem a particularly large sum for the daily receipt of information from abroad of requirements of various materials but it should be read against the background that in 1974, the Gazette was distributed daily for £100, in 1975 for £200 and now in 1976 it is proposed to charge £400.

I believe this to be a totally counter-productive cost increase. The purpose of the Gazette clearly is to inform United Kingdom exporters of export opportunities. It will hardly succeed in its object if small merchant companies decide that they cannot afford to subscribe to the service.

The cost of collection and collation of the Gazette must be considerable. It should, however, surely be borne as a public expense except for postage and the actual handling which cannot possibly cost as much as £400 per annum since it is presumably designed and is, I believe, in fact, a substantial contributor to overseas earnings by exporters of this country.

It is a fact that general merchandise companies in the export field handle a very substantial percentage of the total volume of export sales from this country and many of us subscribe to the whole Gazette and would not benefit to the same degree from the limited card service which is applicable only to companies dealing in a narrow or specific range of articles and products. M. E. Bolton, Director, Tars and Oils, 68, Wellington Court, Wellington Road, N.W.8.

Likes and dislikes

From Mr. Douglas Jay, MP

Sir,—I see that in your issue of April 2 David Watt says that my "dislike of the Left is at this stage even stronger than my dislike of the Common Market." My real view is precisely the reverse. Douglas Jay, House of Commons, S.W.1.

All parties not represented

From Mr. Douglas Crawford, MP

Sir,—Your report in the April 3 issue about the composition of the House of Commons Expenditure Committee is incorrect. This committee is not an all-party committee. Douglas Crawford, SNP Spokesman on Finance and Industry, House of Commons, S.W.1.

GENERAL

Mr. Denis Healey, Chancellor of the Exchequer, makes Budget statement, House of Commons, followed by opposed private business and meeting on pension schemes.

Labour Party national executive sub-committee considers Party's response to Government Green Paper on direct elections to European Parliament.

EEC Foreign Ministers and Agriculture Ministers and two-day meetings, Luxembourg.

National Insurance contributions increase.

First "Appointed Day" for Community Land Scheme, under

To-day's Events

which local authorities will have power to acquire all development land.

Mr. S. S. Ramphal, Commonwealth Secretary-General, speaks to Royal Society of Arts on "The Commonwealth, EEC and International Community: Dimensions of Global Co-operation."—John Adam Street, W.C.2.

Provisional figures of vehicle production and estimates of new car registrations (March—provisional).

Sir Hugh Casson, president of Royal Academy, opens special exhibition of stamps produced

during reign of King George V (1910-36), National Postal Museum, King Edward Street, E.C.2.

HOUSE OF LORDS

Housing (Amendment) (Scotland) Bill, third reading. Fatal Accidents and Sudden Deaths Inquiry (Scotland) Bill, consideration of Commons amendments.

COMPANY RESULTS

Bank of Scotland (full year). Great Northern Telegraph (full year).

COMPANY MEETINGS

Armata (George), Leeds, 12. Barlborough, Congleton, Cheshire, 11. First Scottish American Trust, Dundee, 13. Rea Brothers, Winchester House, E.C. 12.

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The Hongkong and Shanghai Banking Corporation

Incorporated in Hong Kong with Limited Liability



**Statement by the Chairman, Mr G M Sayer
at the Annual General Meeting of The Hongkong and Shanghai Banking Corporation
held in Hong Kong on 26th March 1976.**

The Group consolidated profit for 1975, after deduction of outside shareholders' interests in subsidiaries, was HK\$333 million compared with HK\$301 million for 1974.

The Accounts of the parent company, The Hongkong and Shanghai Banking Corporation, include dividends from The British Bank of the Middle East, Hang Seng Bank Ltd, Mercantile Bank Ltd, Wardley Ltd and Wayhong Investment Ltd. They also include dividends from our trustee company in Hong Kong and our finance companies in Hong Kong, Malaysia, Singapore and Brunei. Other subsidiaries retained their profits.

After making the usual transfers and provisions the Bank's profit was HK\$312 million which represents an increase of HK\$34 million over the profit for 1974. We propose to transfer HK\$40 million to published reserves and after allowing for this and the interim dividend of HK\$0.16 per share your directors recommend a final dividend of HK\$0.42 per share.

The Bank's properties are in the balance sheet at HK\$300 million, which is a conservative valuation and no adjustment has been made for 1975.

Following this meeting you will be asked to approve a further increase of HK\$86,766,243 in the paid-up capital to allow for a free scrip issue to be made of one new share for every ten shares held on 26th March 1976. The total sum required to provide for this issue will be obtained from the balance of share premium account amounting to HK\$9,924,783 and HK\$76,841,460 from undistributed profits. As already announced your directors expect to be able to recommend dividends for 1976 totalling not less than HK\$0.58 per share on the increased capital.

You will note that the format of the report of the directors, the accounts and the notes hereto has been altered this year firstly to meet the audit requirements of the Hong Kong Companies Ordinance and secondly to provide further information as agreed with The London Stock Exchange. Among the statements now included in the report of the directors is one concerning advances, in excess of one per cent of total advances, made to companies in which a director or directors have an interest of more than ten per cent in the capital - either directly or through their dependants. The two which fall to this category are not significant compared to total advances although it is worth mentioning that the largest single shareholder in both cases is the Bank itself.

The Companies Ordinance interprets an associated company as one in which more than 20 per cent of the capital is held. For this reason certain holdings previously shown quoted and unquoted investments in the group consolidated balance sheet are now shown as fixed assets. In other respects the additional detail is self-explanatory and does not, I feel, call for special comment.

When I addressed you last year I was naturally reserved about forecasting business prospects in the year ahead because at that time we were in the midst of a recession the extent of which was difficult to predict. Early on some countries were in a stronger position to cope than others and this has proved out to be the case. There have however been encouraging signs that the world is adjusting to the new situation resulting from the rise in prices of essential commodities such as crude oil and from floating exchange rates. These circumstances market forces have led to be the regulator and in a way this has been a refreshing development encouraging, as it does, governments and others to raise strict control over their financial affairs.

It is neither fiscal and monetary measures nor market influences which will resolve the over-riding problem of huge imbalances in wealth and living standards. This is a deep and complex issue involving many factors both financial and economic, including an importance by affluent and powerful nations the need to direct a larger part of their resources to assisting people of developing countries to move away from a life-style that aims near or at subsistence levels.

The basis for advancement in this field has to be international agreement with which to create the right environment not only for official aid to be effective but to enable the private sector, which has an important part to play, to invest in and promote new agricultural and industrial projects without the excessive risks inherent in an entirely free market situation. Everyone pays lip-service to these aspirations and there are many international and national bodies dedicated to this cause but regrettably progress has been slow. In this context the agreement reached at the recent ASEAN meeting in Bali of the heads of state of Indonesia, Malaysia, the Philippines, Singapore and Thailand was a welcome and significant development. A rational and cohesive movement to organise and develop the economy of this region of 235 million people must work to the advantage of all its members. The problems are enormous but the determination and foresight of these five outstanding national leaders is plain to see and holds great promise for the future.

Your Bank, as you know, spans a large part of the world and embraces a wide range of financial and associated services. In general the results of branches, subsidiaries and associated companies during 1975 have reflected the economic conditions of the territories in which they operate. For example, trade in Middle Eastern countries has been buoyant whereas nations whose economies are tied to primary produce and labour intensive industries have had a difficult time. It is, I think, now accepted that a revival of the world's principal markets is under way and the outlook is distinctly more favourable and the bank should benefit. It would nevertheless be foolish to expect too rapid a recovery and it is as well to remember that many industries especially at the heavy end are far from being out of their difficulties.

In Hong Kong we are fortunate in having a Government which is not only realistic but sensitive to the problems that face the various component parts that make up our community. Many social and public works programmes have had to be temporarily shelved to ensure that the economy functioned effectively in the prevailing depressed business conditions. There was undoubtedly disappointment and some suffering but there was understanding of Government's policies. The justification for the measures taken to control expenditure is now apparent in a very modest inflation rate, stable prices and low interest rates which have meant that industry and other key sectors of the economy are now well placed to take advantage of improving demand for our products and services.

We and the Hang Seng Bank, who had a very satisfactory year's operations, were able to provide considerable support during this period. In our case, your Board took a major decision to assist the Hutchison Group when they ran into problems by acquiring a large shareholding in the parent company, thereby virtually guaranteeing all its obligations. I have spoken at length on this particular matter some months ago and I will not now say more except to re-state that we are confident that the Group will work its way out of its predicament and that we intend to reduce our shareholding just as soon as conditions permit. Eighteen new branches of the Bank were opened in Hong Kong bringing the total to 125. We now provide one of the most up-to-date retail banking services in the world which is regularly being widened in its scope to meet the demands of today's society.

In December our New York branch moved into new premises at street level in the World Trade Center. We had the pleasure of welcoming the Governor Sir Murray MacLehose at the ceremonies marking the occasion which provided an opportunity for him to speak about Hong Kong and in this way promote its interests in the U.S.A. and vice versa. Plans are now in hand to establish a branch in the Chinatown district of New York. We also moved into new permanent offices in Seattle and expect to do likewise in Chicago shortly.

We celebrated our centenary in the Philippines last November when I and the official party from Hong Kong were very generously welcomed by President and Mrs Marcos and the occasion was climaxed by the unveiling of a commemorative plaque by HRH the Duchess of Gloucester.

I reported at the annual meeting last year that we hoped to move the main London branch to new premises at 99 Bishopsgate during 1975. For reasons quite beyond our control this has been delayed and we now expect to complete the transfer towards the end of May. Joining us in the new building will be the Head Office and London branch of The British Bank of the Middle East.

Our Jakarta branch which has been operating since 1968 in make-shift premises will be moving into new and prestigious offices later in the year in a building under construction in which the Bank has a shareholding.

Events in the early part of the year in Vietnam resulted in the loss of our business in Saigon. We have since had very little contact and we believe that the branch has been absorbed into the national banking system.

Not since before the end of the last century when we had an agency in Valparaiso, Chile, have we had a foothold in the South American continent. The volume of trade with these countries has not hitherto warranted serious consideration of expansion into that area. There has however been a marked growth of Brazil's economy over the last decade and we therefore decided to open a representative office in São Paulo from which prospects can be observed and developed.

The British Bank of the Middle East enjoyed another record year with profits more than double those for 1974 which was indicative of the dynamic growth in the area as a whole. The one unfortunate exception has been the Lebanon which suffered from internal strife in the course of which the main Beirut branch was severely damaged. Great credit is due to the staff there who in extremely difficult circumstances have successfully resumed operations in temporary quarters. Deposits of The British Bank of the Middle East continue to increase and their capital was further enlarged to £17.5 million and published shareholders' funds are now in excess of £36 million. Dividends were increased from £1.2 million to £3.5 million.

Our subsidiary in Canada had a much improved result. But in Australia we felt the full impact of the depressed market in real property. Many constituents were unable to meet interest charges and scheduled loan repayments, provision was also required to cover assets considered to be in the doubtful category. With prospects of more stable conditions both political and economic we can look with some confidence to an improvement and a return to profitability.

The results of The Hongkong Bank of California remain disappointing but were affected by a decision to accept a capital loss on disposal of low-yielding government bonds. The Bank is however in a much better condition compared with a year ago and operations are on a profitable basis.

Our merchant banking subsidiary Wardley Ltd was much more active and declared an increased dividend of HK\$20 million.

Wayhong Investment Ltd which is the holding company for the Bank's interests in the transportation field also benefited from a substantial increase in dividends on its shares in the World-Wide Shipping Group which is headed by Mr Y K Pao.

Although seldom mentioned there is another side to our business which is important especially in an organisation such as ours which is so widely spread. The military would describe it as logistics and it concerns the planning, development and maintenance of specialised and often sophisticated services behind the scenes, such as methods research, marketing, telecommunications and so on, as well as analysing and programming systems for computers which are being extensively used throughout the Group. Training of personnel is closely linked to this and is undertaken and co-ordinated at our own fully-equipped centre here in Hong Kong. All this is a continuing process, and expensive, but essential if we are to provide constantly improving and speedy services to our customers and of course to remain effective in a very competitive industry.

The only changes in the membership of your Board were that Mr Henry Keswick resigned on retirement and Mr D K Newbigging joined. I am glad to report that Mr Keswick is retaining his links with the Group as a director of The British Bank of the Middle East and as a member of our London Advisory Committee.

During the year Mr P G Williams was appointed a Deputy Chairman in place of Sir Douglas Clague who has decided to retire with effect from the end of this month. Sir Douglas joined your Board more than 15 years ago and is the longest-serving member. You will I am sure wish me to convey to him our appreciation of the very valuable contribution he has made to the Bank during a period of great change in its fortunes and not least for the interest he has shown in the well-being of the staff. And on a personal note I would add my thanks for the support and advice he has given me as the Chief Executive.

My statement, the directors' report and accounts, the Chairman's International Survey and Group abbreviated balance sheets will be in your hands before the end of April. Following the practice started last year copies of the Group accounts, which are before you today, will be despatched to shareholders domiciled outside Hong Kong immediately following this meeting.

At this point I must warn you that with the growing number of companies, some situated in inaccessible places, whose accounts have to be consolidated into the Group's accounts, it is becoming increasingly difficult to complete the work in time to meet the dates on which we traditionally announce our results and on which we hold this meeting. Accordingly from next year, we expect to announce our results during the second half of February and to hold the Ordinary Yearly General Meeting during the first half of April.

Finally, our thanks are due to the staff of the Group. Being as widely dispersed as we are, the majority of them never see the Head Office, nor indeed do they have personal contact with other branches, but despite this their loyalty and dedication to your interests is wholly admirable.

The Hongkong Bank Group			1974	1975
			£million	£million
Issued Share Capital	...	...	60.3	85.2
Reserve Fund...	...	...	73.0	91.5
Share Premium Account	...	...	15.9	1.0
Undistributed Profit	...	...	10.6	16.0
Deposits	...	...	3,128.4	4,109.8
Advances	...	...	1,528.6	1,781.9
Bank Premises	...	...	43.1	53.6
Net Profit	...	...	26.1	32.7
Total Assets	...	...	4,288.5	5,679.9

London and Manchester Assurance Company Limited

Extracts from the statement by the Chairman, Mr Lewis Whyte, C.B.E., FEA, on the Group Report and Accounts for 1975

New business at record levels Substantial increase in investment income Bonuses improved

1975 was an outstandingly good year for the Company in nearly all important aspects. New business was at record levels and the improvement over the previous year was greater than anything achieved in recent years. The rate of interest earned on the Company's funds was materially higher than in the previous year and enabled further increases to be made in the reversionary bonuses. The substantial recovery in the market value of our stock exchange investments caused an improvement to be made in the terminal bonuses under our Complete Bonus System. It was only in the area of the costs of operation, increasing under the full impact of inflation, that we were unable to make the progress we sought. Nevertheless, by a very clear margin our favourable results outweighed the unfavourable. The satisfactory figures produced are only made possible by the skill and very good work of everyone who works in the Company. The directors wish to express their sincere and grateful thanks to the staff for all they have done during this successful year.

The Board

At the Annual General Meeting shareholders will be asked to appoint Mr. K. H. McBrien, F.I.A., to the Board. Mr. McBrien joined the Company in 1958 and after spending four years in the insurance industry in Australia returned to the Company in 1968. He was appointed General Manager (Marketing) in January, 1975.

Ordinary Branch

The new sums assured and new annual premiums show a welcome increase compared with the previous year. This was partly because in 1974 we restrained the supply of funds for mortgages and loans in order to make more money available for investment in marketable fixed interest securities and equity stocks on favourable terms. The reasons for this restraint applied with much less force in 1975, thus releasing more money for mortgages and loans with their accompanying collateral endowment assurance policies.

Industrial Branch

The recent buoyancy in the growth of premium income has continued and last year it grew by 11.7 per cent assisted by an increase in new premiums written of 15 per cent. The expense ratio increased from 44.3 per cent to 46.8 per cent. Although the cost of operation has risen we remain convinced that there is an enormous market for life insurance in the areas in which we operate. We are also convinced that we are filling a valuable social need in providing a service in the homes of policyholders. Our contracts continue to provide a good return for money invested; it is for us to take the necessary management action to protect that return.

Expense Ratios

During the course of the year we had to meet exceptional costs processing expenses associated with the transfer of certain Ordinary Branch operations to a new computer, and also the early costs of the relocation of our Chief Office to Exeter. Part of the increased costs of operation arise from factors beyond our control such as postage, local rates, National Insurance contributions, etc.

We are pursuing vigorously action which will help us to contain the costs of operation and thus expense ratios. Expenses are related primarily to the number of policies or policyholders on our books and thus any increase in the amount of premium per policy will help to reduce the expense ratio. Considerable progress has already been made in this direction; for example, last year the average premium per new policy in the Industrial Branch was 53.7p per week, compared with 12.7p per week ten years earlier and this trend can be expected to continue.

We are taking every sensible action to reduce waste and to avoid any overlapping in administration. We aim to have no more agencies or separate offices throughout the country than are needed for the proper servicing of existing business and the expansion of new business. Thus, by intelligent rationalisation, we can make some impact on our expense ratio though it may not be easy to achieve much within a short space of time.

The fundamental problem is inflation, but the signs that the rate is now lessening combined with a wider appreciation of the great harm such inflation brings to our way of life gives some ground for hope. However, given no relief from the pressure on our costs of operation we will be compelled to make a completely fresh assessment of the situation. This is not to say that we would abandon our traditional market, but rather to consider new methods of approach.

General Branch

The premium income increased last year by 24 per cent but in common with the general experience throughout the country the claims experience was unsatisfactory. All business in this branch is reinsured with the Sun Alliance and London Insurance Ltd. where a profit sharing formula applies. The adverse claims experience has led to a substantial reduction in the profit share and this, coupled with a significant increase in administration costs, has meant that a transfer from Profit and Loss Account of £131,000 was required.

Investments

The valuation of the investments of the long-term fund at the end of 1975 disclosed a total net appreciation, after estimated contingent liability for tax on capital gains and after the write-up of £650,000 referred to below, of £26.6m. (compared with a shortfall of £6.5m. for 1974). This figure is based on (a) the Stock Exchange investments (including 75 per cent of the security dollar premium) at middle market price at the end of 1975; (b) properties, including our Chief Office buildings in Finsbury Square, at current valuation; (c) mortgages and loans at values based on an appropriate market rate of interest over the expected term of the loan, less reserve.

When commenting on our investment position in my Statement last year, I pointed out that major changes in our portfolio both in 1973 and 1974 placed us in a favourable position to benefit from the dramatic rise in equity prices which began in early 1975. The paramount aim last year was to consolidate this recovery and to pay particular attention to the improvement of investment income. Consequently, the rate of interest earned on the life funds has again

increased substantially from 9.50 per cent to 10.37 per cent. Part of this improvement arose from higher dividends on the equity portfolio and increased rents from the property portfolio, but also from changes, mainly by way of a reduction in ordinary shares and an increase in fixed interest stocks and properties. Only part of the benefit to income from these exchanges was realised last year and a further increase in the rate of interest on the investments of the life funds can reasonably be expected in 1976.

It has been difficult in recent months to form any positive view which might lead to any major change in investment strategy. We feel that our present investment portfolio, covering the whole field of fixed interest stocks, equities (where investment trusts companies still form the majority), mortgages, loans and properties, is well balanced and not exposed in any direction to undue risks. At the present time of uncertainty there is much to be said for the old investment adage "Look after the income and the capital will look after itself". Adherence to this philosophy undoubtedly helped both income and capital last year and may well do so again.

Investment Trust Reinvestment Assurances

The substantial rise in the equity market last year was responsible for the figure of £6,463,000 being adjustment of book value of investments to year-end market value. Although this fund is now in a mature state, with annuities and claims exceeding new premiums, the fund still grows with the expanding investment income where the rate of return has again increased. This has been largely responsible for the higher contribution to Profit and Loss Account of £45,000. Participants who entered this contract in its early stages are now obtaining excellent value. The price of Investment Trust Units, on which the contract is based, at the end of 1975 was over 4.8 times the equivalent price when the contract was started in 1957.

Valuation of Liabilities

Last year the Actuary changed the interest basis used in the net premium method of valuing life assurance contracts in both branches from 2.5 per cent to 3 per cent. After explaining the principal reasons for this change, I commented that frequent changes in the valuation rate of interest in a net premium method were not desirable and accordingly the Actuary hoped that the new rate could be maintained unaltered for some time to come. The results of the valuation at the end of 1975 show that, notwithstanding the increase in expenses referred to earlier, the total surplus in both life branches showed a further improvement. This was due largely to the improvement in the investment income and enabled the reversionary bonus on with profit policies in the Ordinary Branch to be increased from £4.00 per cent to £4.25 per cent. In order to provide for the terminal bonuses £300,000 has been transferred from Inner Reserve to the Ordinary Life Fund and £350,000 to the Industrial Life Fund.

Profit and Loss Account and Dividend

Transfers from the two Life Funds have been made on the customary formula, which is 90 per cent of the distributable surplus to policyholders and 10 per cent to shareholders. It should be noted, however, that £128,000, being part of the transfer from the Industrial Life Fund relates to a non-recurring source. The investments of the shareholders' funds are segregated and moves to increase the rate of investment income have also been made here. As a consequence the investment income has shown a further rise of £41,000 to £337,000, which helps to offset the adverse results from the General Branch. The dividend, which is recommended, is the maximum allowed under current legislation and the equivalent gross amount for the year of 7.14p per share is well within the earnings per share, thus indicating that it had not been for current legislation the directors would have been in the position to have recommended a larger figure.

Welfare Insurance Company Limited

I explained in my Statement last year the reasons which led to the acquisition of a controlling interest in Welfare Insurance. I also commented on the critical financial position of that company at the date of acquisition. Substantial progress has been made in strengthening the finances of the company, in particular in its investment portfolio where much too large a proportion was in mortgages, loans and properties. During the year these categories have been reduced by approximately £8.1m. and the proceeds of disposals, together with the money injected into the company at the time of the acquisition, were invested in the stock market. One consequence has been to increase the rate of interest on the life fund, other than the part hypothecated to the various linked policies, from 9.5 per cent to 9.9 per cent with expectation of a higher return in 1976. Although much still remains to be done, we feel confident that a sound basis is being established for future expansion.

I also explained last year that much of Welfare's business was complementary to, and not competitive with, your Company. For example, Welfare has a promising involvement in pensions business, but has withdrawn from General Branch business. In these and other spheres the two companies are able to influence business in each other's direction. There is also scope in the economy and rationalisation of office premises, where a start has already been made. We have a pleasant and useful relationship with our partners, the National Westminster Bank Ltd., which owns 49 per cent of the capital.

The Future

The Company and its subsidiary now cover a very wide field of insurance: industrial branch, conventional ordinary life assurance, unit-linked life policies, general branch and pensions. All enjoy an expanding market. We believe we have the people with the technical and managerial skills to compete effectively in all these fields and we view with confidence the prospects for growth and profitability.

The Annual General Meeting will be held on 28th April, 1976. Copies of the Report, which includes the full text of the Chairman's Statement may be obtained from the Secretary at 60 Finsbury Square, EC2A 1HE.

COMPANY NEWS

CU looks for better result

EXTENSIVE CORRECTIVE action has been taken by Commercial Union Assurance in the U.S. and elsewhere, which should lead to an improvement in group results in 1976, state the directors in a detailed preliminary statement with the audited results for 1975. They point out that 1975 was a world-wide underwriting loss of £24.1m. Australia and the U.S. accounted for £9.4m. They expect that a better trend evident in Australia will continue and that there will be an improvement in the U.S. during this year.

The underwriting loss, which compared with a deficit of £14.5m. for 1974, was reported early last month when the directors also reported that the action being taken in the U.S.

About three-quarters of the U.S. underwriting loss was attributable to two classes of business—automobile liability and general liability—which together accounted for well under half of total U.S. premiums.

In Australia the action, which has been cumulative and has been taken in the face of prolonged and severe political and economic difficulties, is now being reflected in an improving trend which is expected to continue.

Underwriting losses for 1975 were £24.1m. compared with £14.5m. for 1974. Net new investment totalled £30.4m. of which £26.2m. was in fixed-interest securities and £4.2m. was in property of which £1.2m. was in Holland and Germany.

Sir John Wirt, chairman, considers that the proposals to set up a new investment institution in the form of an Equity Bank were not attractive financially. He also thinks the political considerations for participating do not compensate for investment disadvantages, and he is satisfied that funds for sound industrial investment could be provided by the existing financial organisations.

Chairman's statement Page 26

£1.3m. loss at British Sidac

IN THE second half of 1975 British Sidac incurred a loss of £1.3m. bringing the total deficit for the year up to £1.3m. compared with a profit of £2.2m. in 1974. Sales showed a reduction from £1.2m. to £1.1m.

When reporting at half way the directors explained that the loss reflected a substantial fall in the volume of sales. This was as a result of the world recession in packaging materials and because most group customers are large scale stockists at the beginning of the year.

After taxation credit and extraordinary items there is a net loss for the year of £1.3m. compared with a profit of £2.2m. in 1974.

James Dickie earns more

From increased turnover of £3.16m. against £2.10m. in 1974, James Dickie and Co. (Drop Forgings) expanded from £251,687 to £279,938 for the year to October 31, 1975.

Shareholders per 25p share are shown to have risen from 7.7p to 10.5p and the dividend is lifted from an adjusted 3.25p to 3.6p with a final payment of 1.85p net.

After tax of £175,588 compared with £108,500 the net balance comes through up from £142,387 to £199,930.

Equity & Law progress

New business of Equity and Law Life Assurance Society last year reached a record level, with new sums assured narrowly failing to meet the £12m. target. They rose by 24 per cent, to £999,800, while new annual premiums totalled £14.4m. compared with £12m. in 1974.

Society had a "highly successful" Netherlands operation with new sums assured at £105.9m. and annual premiums of £12m., both a double of those of the previous year.

Abel Morrall sales rise

Mr. B. G. Lewis, chairman of Abel Morrall (makers of needles and general smallwares) told Friday's annual meeting that increased sales for the first quarter of the current year were encouraging.

Export orders received were at a record level and increased inquiries from overseas markets represented an encouraging potential in the medium term, he said.

Mr. Lewis added that some recession still persisted in sections of the home market, but first half figures were expected to compare with the same period last year.

RECENT ISSUES

EQUITIES									
Issue Price	First	Second	Third	Fourth	High	Low	Stock	Price	Change
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500

FIXED INTEREST STOCKS									
Issue Price	First	Second	Third	Fourth	High	Low	Stock	Price	Change
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500

"RIGHTS" OFFERS									
Issue Price	First	Second	Third	Fourth	High	Low	Stock	Price	Change
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500
10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500	10.500

Grattan Warehouses up 10% to £9.79m.

SECOND HALF taxable profits of the Grattan Warehouses and other group have been more than maintained at £5.28m. against £5.03m. pushing up the total for the year to January 31, 1976, by 10.08 per cent to £29.79m. achieved from sales up by 13.24 per cent to £109.4m.

Stated earnings per 25p Ordinary improved from 9.70p to 10.65p for the year and the dividend total is lifted from 4.46p to 4.74p net per share.

The directors report that following a spring/summer season well in line with their plans, sales for the remainder of the year, against a background of subdued consumer spending, were less than intended.

Profits showed an encouraging recovery over this difficult trading year in spite of many operating expenses rising rapidly, they point out.

The problems associated with the present economic situation are likely to remain for a while yet and although the outlook is still not encouraging they continue to make every effort to maintain a steady rate of progress, members are told.

It is proposed to adopt a share option scheme to be known as the Grattan Warehouses Own-As-You-Earn Scheme, and to increase the authorised capital to £11.5m. by the creation of 2.2m. Ordinary shares.

BOARD MEETINGS

The following companies have announced dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividend. Official indications are not available, whether dividends concerned are cash or bonus and the sub-statements shown below are based mainly on last year's results.

Y-DAY
Barrat—Thomas French, Steel Straps
Barrat—Thomas French, Steel Straps
Barrat—Thomas French, Steel Straps

FUTURE DATES
Barrat—Thomas French, Steel Straps
Barrat—Thomas French, Steel Straps
Barrat—Thomas French, Steel Straps

G. D. Verity, chairman of the Fine Woollen Spinning Co. Ltd., said that the interim stage of the profit of £17,114 against £34,394.

Earnings per 20p share for the year are 2.16p (loss 4.47p) and dividend is lifted from 1.5015p net, the maximum permitted—the gross equivalent of 8.55 per cent, which restores the force prior to the 1974 final results for 1975 a of some satisfaction by were achieved against ground of a year when the textile industry experienced great difficulties because of the year of improvement.

Jersey Dywids and has been the most activity in the group maintained steady throughout the reports. Woollen Spinning Co. Ltd. improved steadily, but the last few months largely responsible for all improvement in the second half.

Mr. Verity adds: "The pattern of profits of 1975 has to date and markets ably buoyant."

Yorkshire Spinners

REPORTING a turnaround from a loss of £73,602 in 1974 to a pre-tax profit of £87,407 for 1975, Mr.

J. England surges to £0.56m.

A JUMP in turnover of 29.71m. to £19.56m. and an upsurge in pre-tax profits from £187,555 to a record £584,490 are reported by potato, grain and produce merchants and growers, J. E. England and Sons (Wellington) Ltd.

At half way when announcing an advance in profit from £77,995 to £147,881 the directors said they expected conditions to remain buoyant, and for progress to continue in the second half.

Stated yearly earnings increased from 198p to 5.50p per 5p share and the total dividend is stepped up from 1.0825p to 1.1535p net with a final payment of 0.8535p.

Profit is struck after a supplementary contribution of £60,000 to the pension fund. Tax takes £300,549 (£87,881) leaving the net balance ahead from £99,786 to £265,941.

Neil & Spencer cautious

Speaking at the annual meeting, Mr. J. J. Boez, chairman of Neil & Spencer Holdings, confirmed that the improvement in sales referred to in his annual statement had continued in the fourth month of this year, but said the general economic climate made it difficult to anticipate real progress.

The Board remained concerned at the high rate of inflation and its effect upon material and operating costs, he added. The group makes, sells and services cleaning and laundry machinery.

Metalrax (Holdings) Limited

Storage and materials handling; repetition engineering; metal fabric engineering services

Record results

1975		1974	
Turnover	£ 8,459,218	£ 6,444,000	
Profit before taxation	812,524	76,000	
Profit after taxation	398,024	35,000	

It is a source of some pride that the increase in profit over exceeded the increase in group turnover in actual money terms, raising inflation. This represents increased productivity a housekeeping.

Dividends
The dividends paid and recommended, as has been the case, controls were first introduced, are the maximum permitted current legislation.

Shareholders' funds
According to our balance sheet our shareholders' funds are £1,916,580. Shareholders' funds have grown over the last year at a rate greater than the turnover.

Share issue
The directors are recommending, subject to shareholders' approval, the issue of one ordinary share for every ten held.

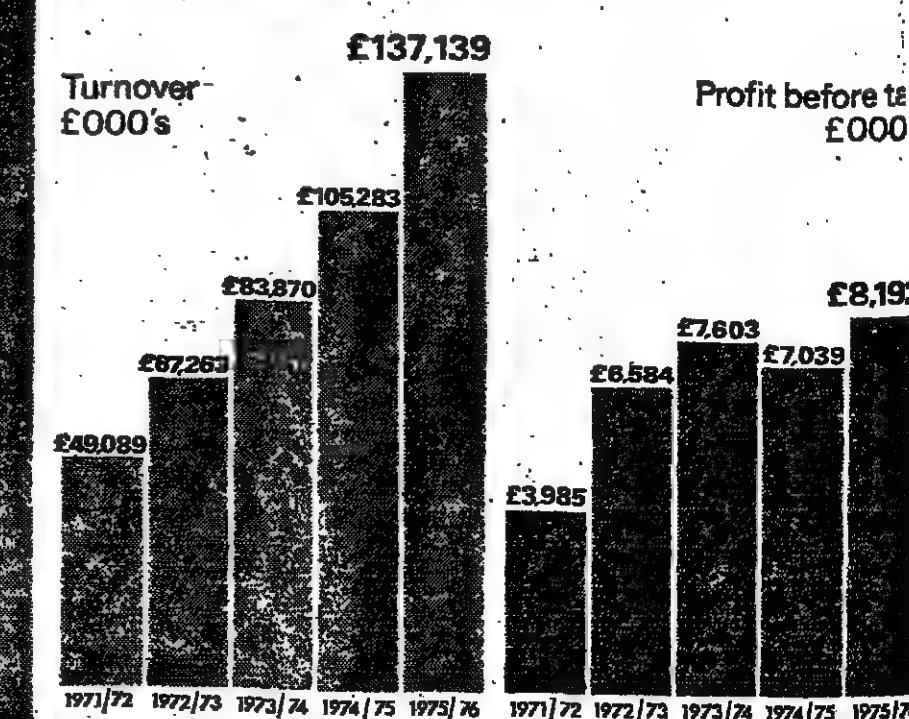
Liquidity
Our cash position has improved by £582,000. The group position is extremely strong and gives us a sound base to meet present difficulties and future boom conditions.

Trading prospects
An increase in the prosperity of manufacturing industry gave rise to an increase in our profits. The strength of our position is such that we shall make a good showing.

Copy of the report and accounts from:
The Secretary Metalrax (Holdings) Limited
Ardech Road Kings Norton Birmingham B38 9PN 021-4

Mail Order freemans

Preliminary results for the 53 weeks ended 31st January 1976



* Turnover up 30% to £137,139,000
* Profit before tax up 16.4% to £8,192,000
* Proposed dividend increased by maximum permitted

Copies of the Annual Report and Accounts, when published, will be available from the Company Secretary (01-735 7644)

freemans
Freemans (London) SW9 1LD, 139 Clepham Road London SW9 9HR

Freemans (London) ahead London & Manchester confident

6.4% at £8.19m.

REDUCTION in lines offered, credit terms, and the merit of fewer agents, led pre-tax profit of Freemans (London, S.W.9), the main concern, by 16.4 per cent, £7.04m. to £8.19m. in the 12 months to 31.12.75, after a gain of £3.79m. for the 12 weeks.

Chairman, Mr. A. Rampton, said that the rate of increase did not match the rate in sales—a rise of 10 per cent to £137.1m. before but steps taken to improve margins and cash flow led through rather more than we had dared.

main impact achieved its of affecting second-half sales, but with continuing demand Mr. Rampton is to predict the outcome for the year.

in longer term he remains confident the company can expand and, helped by a fall in the rate of inflation, the work at being done to reduce "profits will improve."

sales increase at 30 per cent compared with 17 per cent in 1974. The company's market share is more than 10 per cent.

ings per 25p share are to have risen from 17.7p to 22.4p. The final dividend is 2.8374p, a rise on the 2.525p of 1974. The 1975 dividend is the maximum of 4.8374p.

number of active agents at the end was 380,000 against 370,000 in 1974. This record is an increase in conducting business at the level, reflecting tighter rules.

1975-76 1974-75

Group sales	137.1	124.5
Profit before tax	7.04	6.08
Net profit	5.12	4.58
Dividend	2.84	2.53

Dr. Davis Harper, chairman, says orders and deliveries in the main areas of activity remained good in the latter part of the year. Interest payable fell, as a result of the halving of the end 1974 debt level in the first six months of 1975.

Although profits were more than 45 per cent higher in money terms than for 1974, the previous record year, this appears to be only half the profit on the historic accounting basis.

Success of the efforts made to reduce money being used is evident from the fact that the 1975 draft, after group, BCGO backed loans, has been "virtually eliminated." The directors consider the relationship between total borrowings at £2,320m. and holders' funds at £2,319m. is satisfactory.

Turning to the current year, Dr. Harper reports that all divisions are busy and the level of activity achieved in the autumn is being maintained. Extra production capacity will become available in the middle of the year so that, given a continuation of present conditions, the group "should do well."

comment

Following Storey Brothers' 1975 profits setback in 1974 the group has come through with recovery plus for a full year advance of 102 per cent. The only weak area was industrial products, where the sales are basically confined to the U.K. and the rest of Europe, but the remainder of the group was "firing on all cylinders." The domestic products side benefited from the new wall-covering plant, and the transfer of the operation, where exports account for four fifths of sales, continues to make progress from its relatively small base. Stringent financial controls and overhead cutbacks are reflected in borrowings, down by £2.7m. to £2.3m., while interest charges are £109,000 lower, after including the first repayment on a Department of Industry loan.

For this year the company continues to concentrate on exports (in all about 40 per cent of sales are destined for overseas) and a further new plant is envisaged for the fast-growing transfer printing division. The current profits are similar to those of the previous six months, so tentative forecasts approaching 50m. look in order which drops the p/e from 5.7 to 5.2 prospective while the yield at 7.9p is 44 per cent, covered 31 times historically.

Jove Trust downturn

Jove Investment Trust reports gross revenue down from £44,715 to £28,877 for the year ended February 28, 1976, and pre-tax revenue of £261,788 compared with £244,847.

Earnings are shown to have fallen from 4.423p to 3.946p per 30p income share. As forecast the second interim dividend is 1.855p net for a 3.55p against 3.635p total.

Tax for the year takes 291,332 (£128,418) and the attributable balance is £116,307 compared with £161,128.

The net asset value per income share is given at 24.3p against 15.4p.

Commercial Union Assurance Company Limited

The audited results for 1975, together with the results for the previous four years, are set out below. The Directors recommend a final dividend of 4.320p (1974 4.242p) per share payable on 17 May 1976, which, together with the interim dividend of 2.525p (2.603p) per share already paid, gives a total for the year 1975 of 6.845p (6.845p) per share. U.K. resident and certain foreign shareholders will be entitled to an imputation tax credit of 3.686p (3.566p) per share, at the rate of tax applicable at this time, giving a gross dividend for the year 1975 of 10.531p (10.411p).

	1975	1974	1973	1972	1971
	£m	£m	£m	£m	£m
Premium Income	922.6	766.4	642.2	567.2	467.8
Investment Income	101.7	80.7	59.5	45.0	38.8
Life Profits	6.0	3.1	2.7	2.5	2.4
Underwriting (Loss)/Profit	(94.1)	(15.4)	(5.5)	2.2	7.7
Share of Associated Company's results	(1.8)	8	2.6	2.4	—
Loan Interest	(22.0)	(19.0)	(15.5)	(10.1)	(7.8)
(Loss)/Profit before Tax	(10.2)	30.2	43.8	40.0	34.1
Taxation and Minorities	6.7	(21.5)	(17.4)	(14.0)	(11.4)
(Loss)/Profit attributable to Shareholders	(3.5)	28.7	26.4	26.0	22.7
Dividends	(21.4)	(18.4)	(12.6)	(13.9)	(15.3)
Transfer (from)/to reserves	(24.9)	10.3	13.8	12.1	7.4
(Loss)/Earnings per share (see note (a) below)	(1.16)	12.26	11.88	11.95	11.07
Dividend per ordinary share	6.845	6.845	5.641	5.538	7.55
Tax Credit (see note (b) below)	3.686	3.566	2.666	2.374	—
Gross Dividend per ordinary share	10.531	10.411	8.307	7.912	7.55
Shareholders' Funds	282	222	236	258	194

Notes: (a) Earnings per share are calculated on the "net" basis. The earnings for years prior to 1973 are not comparable due to the change in the basis of U.K. taxation. (b) The tax credit for 1975 has been calculated at the rate of tax applicable at this time. Earlier years, apart from 1971 which is not comparable due to the different basis of taxation, reflect the tax rate in force at the time of payment of the dividend.

The following is an extract from the Chairman's review and directors' report which will be posted to shareholders on Thursday, 15 April 1976.

1975 has again been a difficult year for private enterprise in the industrialised countries of the western world and for insurers underwriting generally have been unprofitable except in the U.K. Our own results in 1975 have been drastically affected by very heavy underwriting losses in the U.S. that became increasingly pronounced from April onwards, and another bad result from Australia. We regret to announce that after all charges and taxation relief, the results for the Group for 1975 show a loss of £3.5m which will be charged to retained profits and reserves. In arriving at these results we have made a provision of £15m (before taxation relief) towards the cost of running of certain cancelled U.S. business. Extensive corrective action has been taken in the U.S. and elsewhere, which, subject to economic and political conditions, should lead to an improvement in our results in 1976.

	PREMIUM INCOME				1975 Total	1974 Total
	Fire	Motor	Other accident	Marine	£m	£m
United Kingdom, Ireland & London reinsurance	70.4	45.5	59.9	33.7	209.5	184.0
United States	108.4	120.0	112.6	6.4	347.4	273.0
Australia	15.1	12.4	28.7	3.0	59.2	45.9
Canada	14.7	44.5	14.1	4	73.7	47.6
Western Europe	43.6	65.7	57.9	11.5	178.7	161.1
Other overseas	14.6	15.3	18.2	6.0	54.1	54.8
	266.8	303.4	291.4	61.0	922.6	766.4

	INVESTMENT INCOME		UNDERWRITING RESULTS	
	1975	1974	1975	1974
	£m	£m	£m	£m
United Kingdom, Ireland & London reinsurance	34.9	29.5	10.0	12.3
United States	29.7	22.4	(75.1)	(7.9)
Australia	5.9	3.4	(15.3)	(10.0)
Canada	6.4	5.2	(1.9)	(2.4)
Western Europe	19.2	15.5	(8.2)	(8.0)
Other overseas	5.6	4.7	(3.6)	6
	101.7	80.7	(94.1)	(15.4)

While the underwriting result in each of the 100 countries in which we operate tends to fluctuate from year to year, our experience over the 10 years ending 1974 has been that with investment income we have achieved steady growth in profits (in historic cost terms) due to our wide geographical spread of business. In 1975, however, this wide geographical spread did not even out the usual pattern of fluctuating results because of continuing adverse results in Australia and very bad results in the U.S. Changes in exchange rates since the end of 1974 caused our loss before tax to deteriorate by approximately £7.5m.

Fire business. Generally speaking fire business — both industrial and domestic — remains reasonably profitable. In the industrial sector there are several reasons for this. Premiums on the whole are adequate because insureds and their brokers and other professional advisers can readily adjust the value of property to be insured each year. Damage and loss due to fire is reported immediately and can be quickly assessed. The elapsed time between the occurrence and payment of a fire claim is relatively short and these claims are therefore much less vulnerable to the effects of delay, and consequently of inflation. Managements of property, plant, etc. have also given increasing attention to fire and loss prevention measures. In the domestic sector individuals do not adjust insurable values as readily as do those in industry. The increasing cost of administering domestic fire business is also less easily contained and it is therefore less profitable than industrial fire business.

Accident business. The results of accident classes of insurance are less predictable than fire business and there are additional dangers at present in transacting workers' compensation, motor and liability business. Australia and the U.S. are two of the few remaining countries in which the provision of workers' compensation insurance is carried out by the private insurance industry. In both countries, however, regulatory authorities influence the terms under which this class of business is transacted by setting both rates and benefits. In some cases the latter are adjusted retrospectively with the consequential financial burden (in terms of having to increase outstanding claims immediately) falling on the insurance industry and the prospects of adequate recompense in the future being uncertain. Some of these authorities are also unable to recognise, when fixing premium rates in advance, that additional claims are likely to arise when the economy of the country or state concerned is at a low level of activity. There are more workers' compensation claims when take home pay is lower than normal, or when there is a risk of unemployment.

Outside the U.K. many of these authorities also set private motor premium rates which at best can return a modest profit after taking investment income into account, and at worst substantial losses. Such premium rates have recently been inadequate. This has arisen because there has been undue protection of the consumer arising from the belief that common-sense among buyers, and competition among sellers, are not enough to prevent the former being exploited by the latter. Such protection of the private motorist consumer through these inadequate premium rates is particularly common in many States in the U.S. and some countries in continental Western Europe.

In the U.S. personal loss and injury cases, whether due to motor accidents or other causes that can be described as negligence of a manufacturer, supplier, doctor, dentist, etc. frequently go to court. Most are subject to the "jury system" under which each jury sets the level of damages and consequently there is little consistency in the level of damages awarded for any given type of loss. Many of these cases are also subject to the "contingent fee" system, under which the plaintiff's counsel gets, as his fee, a percentage of the damages awarded if he wins the case, and nothing if he does not. These circumstances are not new, but in a period in which the consumer is being increasingly protected, and there is not equivalent inducement for the consumer to take due and proper care and costs are escalating, then insurers' potential exposure to personal loss and injury risks in motor and liability business becomes increasingly unpredictable. Certain sections of many communities, as consumers, undoubtedly need protection, but those who are concerned with this must recognise that this protection results in a subsidy that eventually must be reflected in the cost of insurance. Our provisions for outstanding claims in all countries, including those incurred but not reported at 31 December 1975, continue to be arrived at after recognising the effects of inflation. These provisions are established in our many local claims offices throughout the world.

Marine business. Marine business has become unprofitable in most parts of the world because of a combination of lower premium rates caused by competition and increasing repair costs. The effect of the latter can be particularly severe due to the normal long time lag between the occurrence of damage and repair. Commission and expenses. The combined ratio of fire and accident commission and expenses to net written premiums has risen from 33.1 to 33.7 in 1975. The U.S. ratio declined and there was also a fall in the Canadian ratio. Increases, however, were experienced in the U.K., Australia and many countries in Europe, mainly because salaries rose at a faster rate than premiums. General. In 1975 Australia and the U.S. between them produced underwriting losses only a little less than the entire worldwide loss of £94m on written premiums which were about 44% of the worldwide total. About three-quarters of the U.S. underwriting loss was attributable to two classes of business — automobile and general liability — which together accounted for well under half the total of U.S. premiums. These features reproduced, but on a more dramatic scale, those which had already emerged in 1974. Nothing could illustrate more clearly where the need for action has lain in the last two years, and this is where action has been and continues to be taken in both countries. In Australia the action, which has been cumulative and has been taken in the face of prolonged and severe political and economic difficulties, is now being reflected in an improved trend which we expect to continue. However, much will depend on the success which the new Australian Government has in re-establishing control over the country's economy. The action taken in the U.S. since May 1975 has been extensive, as announced to shareholders on 1 March 1976. Comparable action has been and is being taken in other countries where this has been shown to be necessary. Although 1975 has been an extremely bad year for us, we expect that, in addition to the better trend in Australia already mentioned, there will be an improvement in the U.S. in the course of 1976. It is well worth recalling that over the 10 year period to the end of 1974 earnings per share doubled, dividends also doubled. Our aim is to see that this progress is resumed. The results for the first quarter of 1976 will be announced at the Annual General Meeting on Monday 10 May.

RANSOMES

"Better than expected results"

reports the Chairman, Sir Peter Greenwell Bt.

The main features of another successful year were:-

- * Total sales increased from £18.2m to £23.5m due mainly to satisfactory sales of tillage equipment and grass machinery. Overseas sales were £7.9m compared with £5.9m in 1974.
- * Profit before taxation increased 28% to £2.4m.
- * A final dividend of 4.85p per share is recommended which is the maximum permitted.

Turning to prospects for 1976, the Chairman says:-

"In looking at 1976, the level of U.K. inflation, although reduced, continues to cause concern in its effect on competitive position relative to foreign manufacturers; and there is as yet no real sign of industrial recovery to stimulate the demand for electric trucks."

"However, the diversity of the company's products and markets is such that these are influenced by a considerable number of different factors, and it is hoped that profits for 1976 will be no less than those for 1975."

RANSOMES SIMS & JEFFERIES LIMITED
ELECTRIC TRUCKS • FARM MACHINERY • GRASS MACHINERY
Copies of the full statement may be obtained from the Secretary,
Ransomes Sims & Jeffries Ltd, Ipswich, 1PS 9QG

Wombwell

looks to second half

While turnover of Wombwell Foundry and Engineering for the six months to January 31, 1976 improved from £1,025m to £1,177m, price restrictions in the home market prevented the company from achieving a similar increase in higher costs, resulting in a fall in taxable profit from £138,586 to £128,337.

Profit was also affected by higher depreciation reflecting increased investment in plant and equipment, points out chairman Mr. G. S. Wombwell.

However, he adds, exports continue to expand and now represent some 15 per cent of total sales. As a result the second half has started with a "strong order book and the indications are that results for the remainder of the year will be satisfactory."

The interim dividend is held at 0.385p net. Last year from profit of £270,184 a total payment of 0.970p was made.

	1975-76	1974-75
Group sales	1,177.2	1,025.0
Profit before tax	128.3	138.6
Tax	99.8	85.1
Net profit	28.5	53.5
Properties sale surplus	80.4	77.2
Available	108.9	130.7
Dividends	9.2	8.9
Retained	99.7	121.8

ICI LOAN PURCHASES

ICI has purchased £158,982 of its 64 per cent. unsecured loan stock 1972-77 on the market for cancellation. The amount of stock outstanding is now £13.2m.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

\$60,000,000

Greyhound Leasing & Financial Corporation

9.70% Notes due April 1, 1984

Price 100% (plus accrued interest)

White, Weld & Co. Incorporated

Halsey Stuart Inc. The First Boston Corporation Blyth Eastman Dillon & Co. Incorporated

Del Barnham & Co. Incorporated Goldman, Sachs & Co. Hornblower & Weeks-Hemphill, Noyes Incorporated

Hutton & Company Inc. Kidder, Peabody & Co. Incorporated Kuhn, Loeb & Co. Incorporated

rd Frères & Co. Incorporated Lehman Brothers Incorporated Loeb, Rhoades & Co. Incorporated

ll Lynch, Pierce, Fennel & Smith Paine, Webber, Jackson & Curtis Reynolds Securities Inc. Incorporated

Barney, Harris Upham & Co. Incorporated Dean Witter & Co. Incorporated Warburg Paribas Becker Inc. Incorporated

Securities Corporation Banque de Neufilze, Schlumberger, Mallet

Partners Securities Corporation SoGen-Swiss International Corporation UBS-DB Corporation

31, 1976

Insure with

Commercial Union Assurance

CU Assurance

All these securities have been sold. This announcement appears as a matter of record only.

Province of Quebec (Canada)



U.S. \$50,000,000 8½% Notes 1981
U.S. \$50,000,000 9% Bonds 1984

S. G. Warburg & Co. Ltd.

Credit Suisse White Weld Limited

Kreditbank S.A. Luxembourgise

Crédit Lyonnais

Union Bank of Switzerland (Securities) Limited

Swiss Bank Corporation (Overseas) Limited

Lévesque, Beaubien Inc.

Banque Nationale de Paris

Société Générale de Banque S.A.

Algemeen Bank Nederland N.V.	A. E. Ames & Co. Ltd.	Amsterdam-Rotterdam Bank N.V.	Arnold and S. Blackmore, Inc.
Bache Halsey Stuart Inc.	Julien Barr International	Banco Commerciale Italiano	Banco del Gottardo
Banco di Roma	Banco di Santo Spirito	Bank of America International	Bank Max Fischer E.C.V.
Bank Mees & Hope N.V.	The Bank of Tokyo (Holland) N.V.	Bankers Trust International	Bank Gutwiler, Kurz, Prager
Banque Française du Commerce Extérieur	Banque Française de Dépôts et de Titres	Banque Générale de Luxembourg S.A.	
Banque de l'Industrie et de la Mer	Banque Internationale à Luxembourg S.A.	Banque Lambert-Luxembourg S.A.	
Banque de Neufchâtel, Schimberg, Mallet	Banque de Paris et des Pays-Bas	Banque Populaire Suisse S.A.	
Banque de l'Union Européenne	Banque Worms	Baring Brothers & Co., E. Albert de Bary & Co. N.V.	Belle Securities Corporation
Bayerische Hypothek- und Wechsel-Bank	Bayerische Landesbank	Bayerische Vereinsbank	Bergan Bank
Becker Bank	Becker Handels- und Bankverein	Brown Brothers & International Bank Ltd.	Burns Fry
Caixa Central de Banques Populares	Caixa de Depósitos e Consignações	Chase Manhattan	Christiana Bank of Credit
Citigroup International Bank	Citibank	Commerzbank	Comptoir d'Escompte de Paris
Compagnie de Banque et d'Investissements	Compagnie Financière	Crédit Commercial de France	Crédit du Nord et Union Fédérale
Crédit Suisse de Belgique	Crédit Italiano	Deutsche Bank	Deutsche Girozentrale
Deutsche Girozentrale	Deutsche Kreditbank	Deutsche Kreditbank	Deutsche Kreditbank
Dillon, Read Overseas Corporation	Domini Securities Corporation	Dresdner Bank	Effectenbank-Warburg
Europäische Handelsbank International S.p.A.	Europäische Handelsbank	Europäische Handelsbank	Europäische Handelsbank
Europäische Handelsbank	Falckenbank A/S	Financor	First Boston (Europe)
Genossenschaftliche Zentralbank AG	Antony Gibbs Holdings Ltd.	Girozentrale und Bank der österreichischen Sparkassen	Hill Samuel & Co.
Goldman Sachs International Corp.	Greenfield	Hambros Bank	Hauschild Bank
K. F. Hutton & Co. N.V.	IBJ International	Instituto Bancario San Paolo di Torino	Jarvis Fleming & Company
Kreditbank Osnabrück	Kidder, Peabody International	Kleemanns Handelsbank	Kleinwort, Benson
Kuhn, Loeb & Co. International	Lazard Frères & Co.	Lazard Frères & Co.	Lazard Frères & Co.
Loeb, Rhoades & Co.	Lombard & Co.	London & Continental Bankers Ltd.	London Multinational Bank
McLeod, Yonny, Weir & Company	Manufacturers Hanover	Mend & Co.	Merk, Fluck & Co.
Merrill Lynch International & Co.	Samuel Montagu & Co.	Morgan Grenfell & Co.	Morgan Stanley International
Nederlandsche Handelsbank N.V.	Nesbitt, Thomson	The Nikko Securities Co., (Europe) Ltd.	Nomura Europe N.V.
Norddeutsche Landesbank	Sal. Oppenheim Jr. & Co.	Orion Bank	Peterbroeck, van Cappeghem, Kempen S.A.
Pictet International	Pierce, Fening & Penson N.V.	PKBanken	Richardson Securities of Canada (U.K.) Ltd.
N. M. Rothschild & Sons	Stolman Brothers	J. Henry Schroder Wagg & Co.	Shields Model Roland
Ständesbank Krefeld Bank	Smith Barney, Harris Upham & Co.	Société Générale	Société Générale de Banque
SoGen-Swiss International Corporation	Sparkassen Bank	Strass, Tarnhill & Co.	Sumitomo White Weld
Svenska Handelsbanken	Trade Development Bank Overseas Inc.	Tradition Securities	UBS-DB Corporation
United Overseas Bank S.A.	Verelst and Verbank	J. Vontobel & Co.	M. M. Warburg-Briemann, Witz & Co.
Warburg Paribas Becker Inc.	Wendelbank	White, Weld & Co.	Williams, Gips & Co.
		Yamashita International (Europe) Ltd.	Wood Gundy

All of these Securities have been sold. This announcement appears as a matter of record only.

\$325,000,000

The Standard Oil Company

(an Ohio Corporation)

\$300,000,000 7.10% Notes Due October 1, 1977

\$50,000,000 7.60% Notes Due April 1, 1979

\$75,000,000 8% Notes Due April 1, 1981

Interest payable April 1 and October 1

MORGAN STANLEY & CO.

Incorporated

THE FIRST BOSTON CORPORATION

MERRILL LYNCH, PIERCE, FENNER & SMITH

BACHE HALSEY STUART INC.

DILLON, READ & CO. INC.

HORNBLLOWER & WEEKS-HEMPHILL, NOYES

KIDDER, PEABODY & CO.

LEHMAN BROTHERS

PAINE, WEBBER, JACKSON & CURTIS

SMITH BARNEY, HARRIS UPHAM & CO.

WERTHEIM & CO., INC.

April 2, 1976.

GOLDMAN, SACHS & CO.

SALOMON BROTHERS

BLYTH EASTMAN DILLON & CO.

DREXEL BURNHAM & CO.

E. F. HUTTON & COMPANY INC.

LAZARD FRERES & CO.

LOEB, RHOADES & CO.

REYNOLDS SECURITIES INC.

WARBURG PARIBAS BECKER INC.

DEAN WITTER & CO.

Incorporated

Metalrax looks to second half

IT IS inevitable that, at least in the first half of the current year, Metalrax (Holdings) will not be able to attain the level of profitability—\$407,500 before tax—achieved last year, warns chairman Mr. J. M. Wardle.

He says it would be unrealistic to make any precise forecast of the current year, as the recession felt at the end of the 1975 has continued in the first two months of this year, but all indications are that it has now bottomed out and that recovery will be seen in the second half.

Mr. Wardle is confident the strength of the company is such that against this general background it will make a good showing.

As reported on March 2 pre-tax profit for all 1975 expanded from \$763,870 to \$812,324 and the dividend is effectively raised from 1.028p to 1.113p net.

During the year the cash position improved by \$883,000. In this context it should be remembered that one of the effects of a recession is to cause a short term improvement in liquidity, and when recovery comes increased working capital will again be required, the chairman points out.

Nevertheless the group's liquid position is extremely strong, sales gives a solid base to face both present difficulties and future boom conditions, he adds.

Meeting Birmingham on May 5 Chairman's statement Page 26

Alcan Booth loss £3.9m.

A PRE-TAX loss of £3.9m. is reported by Alcan Booth Industries for 1976, compared with a profit of £7.8m., following a first-half turnaround from a profit of £5.8m. to a deficit of £1.8m.

Sales were lower at £111.7m. against £122.0m.

After tax and minorities, the attributable loss of this group—which is 76 per cent-owned by Alcan Aluminium (U.K.)—amounted to £3.9m. (£3.8m. profit).

1975 1976

Sales 111.7 122.0

Depreciation 3.0 3.2

Trading loss 1.8 1.8

Other losses 2.0 2.0

Interest 2.0 2.0

Profit 7.8 3.9

Minorities loss 1.9 1.9

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MINING NEWS

Western Mining's \$32m rights issue

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S Western Mining help to finance the company's growing stockpile of unsold nickel.

Our Sydney correspondent also feels that the further spending on Veilrie will put pressure on the Federal Government to include this among the uranium ventures which are about to be given initial approval for development.

But in view of the poor rate of return offered, the new issue seems unlikely to arouse much excitement on the part of U.K. investors, at least.

The offer, which will raise Western Mining's issued capital to \$30m. shares, will not apply to Great Boulder because the latter as a subsidiary is precluded from participating. The parent also announces that it has decided not to pass on to its own shareholders the Western Mining shares held by Great Boulder, but to cancel them instead.

The new Western Mining shares will be paid for as to 60 cents on application and 40 cents on December 17. They will not carry for dividends paid before January 1 next. Thereafter they will qualify for only half the rate paid on the existing shares until June 30, 1977, when they will rank equally. The company hopes to continue dividends "at not less than the present rate", it has reduced the current year's interim to 2½ cents (1.5p) from 4 cents a year ago when there was a final of 2½ cents.

It is added that the new funds will be used mainly for initial work on the Veilrie uranium deposit and for exploration. No doubt the new money will also

help to finance the company's growing stockpile of unsold nickel.

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The new Western Mining shares will be paid for as to 60 cents on application and 40 cents on December 17. They will not carry for dividends paid before January 1 next. Thereafter they will qualify for only half the rate paid on the existing shares until June 30, 1977, when they will rank equally. The company hopes to continue dividends "at not less than the present rate", it has reduced the current year's interim to 2½ cents (1.5p) from 4 cents a year ago when there was a final of 2½ cents.

It is added that the new funds will be used mainly for initial work on the Veilrie uranium deposit and for exploration. No doubt the new money will also

help to finance the company's growing stockpile of unsold nickel.

Our Sydney correspondent also feels that the further spending on Veilrie will put pressure on the Federal Government to include this among the uranium ventures which are about to be given initial approval for development.

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COFFEE AND RAW MATERIALS

stralia to quarantine coffee after early downturn

Own Correspondent
ANBERRA, April 5. A quarantine period for coffee from countries in which a disease is known to exist. Imports from Australia, Canada, the U.S. and Northern Ireland are affected.
The Health Department of the U.S. Department of Agriculture said that the foot-and-mouth disease virus could persist in a short period which, although it is not enough to be introduced into the country under present import conditions, could be a holding period for the virus. The disease is a threat to the cheese to render it inedible. The cheese is held in approved premises under strict quarantine.
The arrangement would be a further safeguard against the introduction of the disease, a cattle disease which also affects man.

Artificially still competitive
Commodities Editor
L. CRISTO had made a point of the competitive nature of the synthetic rubber with natural rubber. Mr. Donald Cristo, chairman of the International Synthetic Rubber, claimed yesterday that the synthetic rubber market was still competitive.

U.K. loses Indian potatoes

BY PETER BULLEN
A SHIP left London Docks for Holland yesterday with a cargo of 5,000 tons of Indian potatoes that are to be sold on the Continent.
The potatoes were originally destined for the British market but Ministry of Agriculture tests revealed that anti-sprouting treatment of the potatoes since the cargo arrived a week ago had not been effective.
The potatoes, H. and J. M. Bennett (Potatoes) of London, were told they could not be sold for human consumption unless they were processed into crisps or other potato products. The company said it would have been uneconomical to try to sell them to processors who not only had contracted for most of their requirements, but would also have known that the potatoes were being forced to be sold on the continent.
However, another vessel with 8,000 tons of Indian potatoes

IMMUNITY MARKET REPORTS AND PRICES

METALS		TIN		COPPER	
London	Official	Official	Official	Official	Official
100 lb	100 lb	100 lb	100 lb	100 lb	100 lb
100 lb	100 lb	100 lb	100 lb	100 lb	100 lb
100 lb	100 lb	100 lb	100 lb	100 lb	100 lb

UNIVERSITY OF RIYAD RIYAD, SAUDI ARABIA

University of Riyadh invites qualified construction contractors to prequalify for construction of academic facilities with a total value of approximately one million square metres, for the city of Riyadh, Saudi Arabia. Interested firms should submit a prequalification form to the following address:
1. A Consortium
2. M. Associates, Inc.
3. 2200
South Post Oak Road
South, Texas 77056, U.S.A.

APANY NOTICES

REVENUE COUNCIL
Bills introduced to the House of Representatives on April 4, 1978, for the purpose of amending the Internal Revenue Code of 1954, as amended, to provide for the collection of taxes on the income of individuals and corporations.

ART GALLERIES

NEW GALLERY
W. 111 St. 111, New York, N.Y. 10011. Tel. 212-675-1111. Hours: 10:00 a.m. to 6:00 p.m. daily.

Late rally in copper prices

By John Edwards, Commodities Editor
COPPER AND tin prices advanced strongly on the London Metal Exchange yesterday, although the rise in copper to new peaks did not come until late afternoon trading after the market was closed.
The three months quotation for copper cash wirebars closed at \$278.25 on Friday at \$278.25 a tonne, but rose to \$285 on the LME.

The sudden upturn in copper prices was attributed to the decline in sterling after a rather speculative buying and to a firm tone in the New York market.
A rise of 2,025 tonnes in warehouse stocks, raising the total holdings to a record 532,525 tonnes, had little effect despite being a rather large increase than generally expected.

A fall of 80 tonnes in tin stocks, reducing the total to 5,755 tonnes, and a rise in the Pango market over the weekend, closing at \$3,502 a tonne. The weakness of sterling also helped prices to rally after opening easier.

One worry in the background was the U.S. Administration would ask Congress to make 28,000 tonnes of the surplus to stockpile requirements as a means of raising money to help the fiscal budget.

Nevertheless the steadiness of the Malaysian market, despite the increased exports permitted in the second quarter, has provided a firm underpin.

FISH MEAL EXPORT BAN LIFTED

LIMA, April 5. The Peruvian Government has formally lifted the four-month ban on the export of fishmeal and fish oil.
The official Government newspaper, El Peruano, published a decree lifting the ban which was imposed last November 31 because of an acute shortage of fishmeal.

U.K. PLATINUM TO COST MORE

A rise in the starting price of platinum, effective today, from \$21.50 to \$23.50 an ounce was announced yesterday by Russian Platinum Mines.
The new price was based on the London Platinum and Palladium Market (LPPM) price of \$21.50 an ounce.

COFFEE

Robusta coffee prices moved sharply higher, reversing initial declines, on news of a shortage of coffee in the U.S. market. The U.S. market is expected to be short of coffee in the second quarter.

WOOL FUTURES

Australian Wool Futures prices advanced on the London Wool Futures market yesterday, with the three months futures price rising to \$20.50 a kilo.

GRAINS

THE BALTIMORE grain prices were slightly lower than yesterday, with wheat prices showing a slight decline. The three months futures price for wheat was \$2.10 a bushel.

Bid for a bigger butter subsidy

BY ROBIN REEVES
Common Market levels (by something is done to cushion the rise in prices).
The fact is that the level of the Brussels contribution was deliberately geared to try to persuade the British Government to maintain the present high level of its subsidy on butter. Mr. Peart was far from happy about this, but he did obtain a promise that the consumer butter subsidy question would be looked at again in the near future.

U.K. demand
Preliminary discussions on the subject, which included Mrs. Williams, were held during the recent visit to London of Mr. Pierre Lardinois, the EEC Agriculture Commissioner.
The British argument is that the whole Community has a vested interest in maintaining a large subsidy in order to keep up U.K. butter demand and so prevent a fresh build-up in the butter mountain.

Some pessimistic estimates have suggested that British consumption could fall by as much as 100,000 tonnes from the present level of 450,000 unless

Beef intervention changes urged

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT, IN DUBLIN
BEEF intervention should not be allowed to operate in the European Community when market prices are high.
The public would not stand indefinitely for a system which was leading to artificially high prices at a cost that could well become more than the Community could bear, and which could be to the detriment of the interest of only producers.

This statement was made yesterday by Mr. K. Barlebo, Director of the meat and livestock section of the EEC Commission, at a symposium here organised by the Irish Meat and Livestock Board.
There was certainly room for more producer responsibility for beef surpluses on the lines suggested by the Commission for milk producers.

Mr. Barlebo said that the Commission would not be able to define on how the responsibility should be imposed, but said that it must come soon as intervention buying seemed to be on the increase once more.

PRICE CHANGES

Metals		Grains	
London	Official	London	Official
100 lb	100 lb	100 lb	100 lb
100 lb	100 lb	100 lb	100 lb
100 lb	100 lb	100 lb	100 lb

U.S. Markets

Limit bid in copper, cocoa rises
NEW YORK, April 5. COPPER closed firm on the New York market, with a limit bid in copper, and a rise in cocoa prices.

Cocoa prices rose on the New York market, with a limit bid in cocoa, and a rise in copper prices.

FINANCIAL TIMES

REUTERS		DOW JONES	
100 lb	100 lb	100 lb	100 lb
100 lb	100 lb	100 lb	100 lb
100 lb	100 lb	100 lb	100 lb

MOODY'S

Moody's		Moody's	
100 lb	100 lb	100 lb	100 lb
100 lb	100 lb	100 lb	100 lb
100 lb	100 lb	100 lb	100 lb

STOCK EXCHANGE REPORT

Lessened pressure on sterling lifts stock market

30-share index rebounds 8.2 to 404.7 ahead of Budget

Account Dealing Dates

Option

First Declared Last Account

Dealings from Dealings Day

Mar. 23 Apr. 1 Apr. 2 Apr. 13

Apr. 5 Apr. 14 Apr. 15 Apr. 23

Apr. 20 Apr. 29 Apr. 30 May 11

New share dealings may take place

from 9.30 a.m. to 1.30 p.m. on the day

After its recent precipitate fall,

sterling's better performance

yesterday helped to improve con-

fidence in stock markets which

were also heartened by two busi-

ness surveys published yesterday

showing a more optimistic view

of the economy than had been

prevailing. The Cambridge

Economic Policy Group, another

cheering influence was the better

news about British Leyland—hopes

of an early return to normal pro-

duction following the end of the

strike at its SU Carburettor sub-

sidiary and reported confirmation

of the company's removal from

the Arab boycott list.

The 30-share index, which

Mr. Callaghan in the Labour lead-

ership contest was announced after

the official close and produced a

slightly harder landing in equity

prices, which, after being quietly

firm all day, ended at 404.7, the

day's best and looked poised to

go better again to-day in the

absence of any shocks in the

Budget. The late news about the

long-expected Gilts transform losses

of 1 to 1 into gains of that amount

bringing about a uniform firmness

throughout all-edged: the Govern-

ment Securities index picked up

0.7 to 81.90.

Yesterday's gains in equities ex-

tended to about 10 p.p. for the

first time in six business days

and the FT-Actuaries All-Share

index put on 1.9 per cent. to

168.18. The Property share index

stood out with a rise of 3.5 per

cent. to 162.12, partly reflecting

Friday's late improvement.

Trade remained extremely small

and mostly professional, the main

difference in yesterday's pattern in

relation to last week being that

small buyers and no sellers re-

placed small sellers and no buyers

Bargains marked numbered 4,267

compared with last Friday's 7,804

and the week-ago figure of 6,203.

Gilts close firmly

Much of the news yesterday

was in favour of a firmer market

in British funds, but the near-

ness of today's Budget militated

against interest and the longer

maturity issues before rallying

late. Sterling, the improved situa-

tion at British Leyland and the

latest business surveys proved

contributory to the shorter end

which held early gains ranging

to 1 p.p. but the March wholesale

price index, momentarily un-

settled the longer before they too

improved following the official

Labour leadership ballot result to

close a net 1 higher, having been

lower in the high-coupon issues

earlier in the day.

The steadier trend in sterling

dampened interest for investment

currency and in slow trading the

premium drifted down 17 to 104

per cent. Yesterday's SE con-

version factor was 0.6883 (0.6883).

Recent Equities, however,

SA held steady at 95.00; the price

has been incorrectly shown as

\$10.50 in recent editions.

Bank of Scotland up

After a listless market last

week, the big four banks perked

up yesterday encouraged by the

earlier news elsewhere. Small,

sporadic buying orders helped

Bancroft close 10 higher at 255p.

National Westminster 8 better at

238p and Lloyds and Midland 7

dearer at 227p and 230p respec-

tively. Bank of Scotland were

also favoured at 275p, up 7, ahead

of today's preliminary results.

Merchant Banks tended to

improve. Anthony Gibbs hardened

11 to 47p on the results and

Slater Walker Securities hardened

a penny to 24p despite reports

that Mr. Jimmy Goldsmith, who

took over the reins of the

company when Jim Slater

was chairman last October, is

to leave in the near future.

Keyser Ullmann closed 4 better

at 48p.

Favourable Press comment drew

buyers' attention to C. E. Heath,

330p, and Alexander Howden,

148p, up 10 and 5 respectively.

C. T. Ewing improved 5 to 83p

and Mical 8 to 117p. Composites

closed firm with Commercial

Union 41 up at 134p, after 130p,

following the full report.

Little of interest took place in

the Drinks sector which hardened

slightly in front of today's Budget,

although Highland Distilleries

cheapened 3 to 100p on the results.

Buildings closed modestly

better. Taylor Woodrow moved

up 4 to 302p on news of the

higher earnings took

Freemans (London) up 11 to 161p.

"Gussies" "A" moved up 5 to

208p and Empire Stores improved

9 to 82p. British Home Stores

featured with a gain of 11 to

370p in active trading.

Electrical leaders made some

progress in light trading. With

hopes of a relaxation in the 25

per cent. VAT rate on televisions

in today's Budget still running

high, Thorn Electrical rose 8 to

278p. GEC improved 4 to 150p

while Revolve Parsons, ahead of

next Monday's preliminary re-

sults, finished 24 better at 126p.

Racal closed 8 better at 126p.

In a thin market, while improve-

ments of 4 were registered in

Cobra Bros., 88p, and Ultra Elec-

tronic 54p, BSK added 3 at 110p,

as did Ever Ready to 135p.

Racal claimed most attention

in Engineering and rose 12 to

428p, while Tube Investments,

388p, and Vickers, 176p, both

gained 3 p.p. Press comment helped

Tube Investments 84 per cent.

Convertible rose 2 points to 358p.

Good gains were also established

by APV, up 9 at 269p, and while

Kwikform, 32p, G. M. Firth, 55p,

and Staveley Industries, 174p, all

advanced by about 3 p.p. Week-end

newspaper mentioned considered

support for Babcock and Wilcox,

5 dearer at 83p, and T. W. Ward,

3 better at 50p, while Charles

Clifford, currently in receipt of a

bid, advanced 10 to 122p, and

amount to 122p on much im-

proved results.

Thursday's preliminary

figures, Rowntree

Macintosh rose 10 to 212p. RHM

responded to Press comment with

a rise of 11 to 200p, while sub-

stantially increased earnings took

J. E. England (Wellington) up 2

to 24p. T. and Lyle improved

earnings and were finally

113p, and Cavenham, 133p, put

on 3 and 4 respectively. In

Supermarkets, Kwik Save re-

flected the interim report with

a rise of 11 to 102p, while

Ladbrokes were marked up 5

to 102p, while rises of 4 were

seen in J. Lyons "A", 118p, and

Middletown, 60p. Poole's was

noteworthy for an improvement

of 2 to 251p. Trust Houses Forte

were called 11, harder at 103p

ex the rights issue with the

new all-paid shares opening at

77p premium and closing at 6p

premium after a reasonable busi-

ness. Centre Hotels ended a

penny better at 21p ex the scrip

issue.

Bowater advance

Favourable Press comment on

last Friday's preliminary results

spurred Bowater forward to a

fresh rise of 8 to 269p. Reckitt

and Colman were also in good

form, moving ahead 11 to 336p in

response to the profits expansion.

Unilever improved 4 to 429p, ad-

vancing other miscellaneous indus-

trial leaders recorded gains

ranging to about 5 p.p. in Metal

Box, 268p, Turner and Newall,

167p, and Bechem, 330p. Elec-

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[illegible][illegible]

	1,771,591	1,016,591	£
Before taxation	129,337	139,896	270,184
	68,965	82,157	144,267
After taxation	60,472	57,239	125,897
on sale of	—	17,551	20,332
ties	—	—	—
Available for	60,472	74,790	146,229
istributions	9,882	9,892	28,762
Profit	£50,590	£64,908	£117,467

Monthly price £1.25 Annual Subscription £16.00 (Inland
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EC4P 4BY. Tel. 01-248 8000

[illegible][illegible]

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American Options

as a means of reducing risk

a copy of a note on this topic
may be obtained from the

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01-588 6280

FT SHARE INFORMATION SERVICE

HOTELS-Continued

[illegible]

INDUSTRIALS MISCELL

[illegible]

CANADIANS

Wagon	Stock	+	Wt.	Wt.	Wt.
134	114	12	12	12	12
135	115	13	13	13	13
136	116	14	14	14	14
137	117	15	15	15	15
138	118	16	16	16	16
139	119	17	17	17	17
140	120	18	18	18	18
141	121	19	19	19	19
142	122	20	20	20	20
143	123	21	21	21	21
144	124	22	22	22	22
145	125	23	23	23	23
146	126	24	24	24	24
147	127	25	25	25	25
148	128	26	26	26	26
149	129	27	27	27	27
150	130	28	28	28	28
151	131	29	29	29	29
152	132	30	30	30	30
153	133	31	31	31	31
154	134	32	32	32	32
155	135	33	33	33	33
156	136	34	34	34	34
157	137	35	35	35	35
158	138	36	36	36	36
159	139	37	37	37	37
160	140	38	38	38	38
161	141	39	39	39	39
162	142	40	40	40	40
163	143	41	41	41	41
164	144	42	42	42	42
165	145	43	43	43	43
166	146	44	44	44	44
167	147	45	45	45	45
168	148	46	46	46	46
169	149	47	47	47	47
170	150	48	48	48	48
171	151	49	49	49	49
172	152	50	50	50	50
173	153	51	51	51	51
174	154	52	52	52	52
175	155	53	53	53	53
176	156	54	54	54	54
177	157	55	55	55	55
178	158	56	56	56	56
179	159	57	57	57	57
180	160	58	58	58	58
181	161	59	59	59	59
182	162	60	60	60	60
183	163	61	61	61	61
184	164	62	62	62	62
185	165	63	63	63	63
186	166	64	64	64	64
187	167	65	65	65	65
188	168	66	66	66	66
189	169	67	67	67	67
190	170	68	68	68	68
191	171	69	69	69	69
192	172	70	70	70	70
193	173	71	71	71	71
194	174	72	72	72	72
195	175	73	73	73	73
196	176	74	74	74	74
197	177	75	75	75	75
198	178	76	76	76	76
199	179	77	77	77	77
200	180	78	78	78	78
201	181	79	79	79	79
202	182	80	80	80	80
203	183	81	81	81	81
204	184	82	82	82	82
205	185	83	83	83	83
206	186	84	84	84	84
207	187	85	85	85	85
208	188	86	86	86	86
209	189	87	87	87	87
210	190	88	88	88	88
211	191	89	89	89	89
212	192	90	90	90	90
213	193	91	91	91	91
214	194	92	92	92	92
215	195	93	93	93	93
216	196	94	94	94	94
217	197	95	95	95	95
218	198	96	96	96	96
219	199	97	97	97	97
220	200	98	98	98	98
221	201	99	99	99	99
222	202	100	100	100	100
223	203	101	101	101	101
224	204	102	102	102	102
225	205	103	103	103	103
226	206	104	104	104	104
227	207	105	105	105	105
228	208	106	106	106	106
229	209	107	107	107	107
230	210	108	108	108	108
231	211	109	109	109	109
232	212	110	110	110	110
233	213	111	111	111	111
234	214	112	112	112	112
235	215	113	113	113	113
236	216	114	114	114	114
237	217	115	115	115	115
238	218	116	116	116	116
239	219	117	117	117	117
240	220	118	118	118	118
241	221	119	119	119	119
242	222	120	120	120	120
243	223	121	121	121	121
244	224	122	122	122	122
245	225	123	123	123	123
246	226	124	124	124	124
247	227	125	125	125	125
248	228	126	126	126	126
249	229	127	127	127	127
250	230	128	128	128	128
251	231	129	129	129	129
252	232	130	130	130	130
253	233	131	131	131	131
254	234	132	132	132	132
255	235	133	133	133	133
256	236	134	134	134	134
257	237	135	135	135	135
258	238	136	136	136	136
259	239	137	137	137	137
260	240	138	138	138	138
261	241	139	139	139	139
262	242	140	140	140	140
263	243	141	141	141	141
264	244	142	142	142	142
265	245	143	143	143	143
266	246	144	144	144	144
267	247	145	145	145	145
268	248	146	146	146	146
269	249	147	147	147	147
270	250	148	148	148	148
271	251	149	149	149	149
272	252	150	150	150	150
273	253	151	151	151	151
274	254	152	152	152	152
275	255	153	153	153	153
276	256	154	154	154	154
277	257	155	155	155	155
278	258	156	156	156	156
279	259	157	157	157	157
280	260	158	158	158	158
281	261	159	159	159	159
282	262	160	160	160	160
283	263	161	161	161	161
284	264	162	162	162	162
285	265	163	163	163	163
286	266	164	164	164	164
287	267	165	165	165	165
288	268	166	166	166	166
289	269	167	167	167	167
290	270	168	168	168	168
291	271	169	169	169	169
292	272	170	170	170	170
293	273	171	171	171	171
294	274	172	172	172	172
295	275	173	173	173	173
296	276	174	174	174	174
297	277	175	175	175	175
298	278	176	176	176	176
299	279	177	177	177	177
300	280	178	178	178	178
301	281	179	179	179	179
302	282	180	180	180	180
303	283	181	181	181	181
304	284	182	182	182	182
305	285	183	183	183	183
306	286	184	184	184	184
307	287	185	185	185	185
308	288	186	186	186	186
309	289	187	187	187	187
310	290	188	188	188	188
311	291	189	189	189	189
312	292	190	190	190	190
313	293	191	191	191	191
314	294	192	192	192	192
315	295	193	193	193	193
316	296	194	194	194	194
317	297	195	195	195	195
318	298	196	196	196	196
319	299	197	197	197	197
320	300	198	198	198	198
321	301	199	199	199	199
322	302	200	200	200	200
323	303	201	201	201	201
324	304	202	202	202	202
325	305	203	203	203	203
326	306	204	204	204	204
327	307	205	205	205	205
328	308	206	206	206	206
329	309	207	207	207	207
330	310	208	208	208	208
331	311	209	209	209	209
332	312	210	210	210	210
333	313	211	211	211	211
334	314	212	212	212	212
335	315	213	213	213	213
336	316	214	214	214	214
337	317	215	215	215	215
338	318	216	216	216	216
339	319	217	217	217	217
340	320	218	218	218	218
341	321	219	219	219	219
342	322	220	220	220	220
343	323	221	221	221	221
344	324	222	222	222	222
345	325	223	223	223	223
346	326	224	224	224	224
347	327	225	225	225	225
348	328	226	226	226	226
349	329	227	227	227	227
350	330	228	228	228	228
351	331	229	229	229	229
352	332	230	230	230	230
353	333	231	231	231	231
354	334	232	232	232	232
355	335	233	233	233	233
356	336	234	234	234	234
357	337	235	235	235	235
358	338	236	236	236	236
359	339	237	237	237	237
360	340	238	238	238	238
361	341	239	239	239	239
362	342	240	240	240	240
363	343	241	241	241	241
364	344	242	242	242	242
365	345	243	243	243	243
366	346	244	244	244	244
367	347	245	245	245	245
368	348	246	246	246	246
369	349	247	247	247	247
370	350	248	248	248	248
371	351	249	249	249	249
372	352	250	250	250	250
373	353	251	251	251	251
374	354	252	252	252	252
375	355	253	253	253	253
376	356	254	254	254	254
377	357	255	255	255	255

BUILDING INDUSTRY—Continued

La	Tr	Pr	St	Cr	Th
16	104	88	5.22	1.1	1.1
17	104	88	5.22	1.1	1.1
18	104	88	5.22	1.1	1.1
19	104	88	5.22	1.1	1.1
20	104	88	5.22	1.1	1.1
21	104	88	5.22	1.1	1.1
22	104	88	5.22	1.1	1.1
23	104	88	5.22	1.1	1.1
24	104	88	5.22	1.1	1.1
25	104	88	5.22	1.1	1.1
26	104	88	5.22	1.1	1.1
27	104	88	5.22	1.1	1.1
28	104	88	5.22	1.1	1.1
29	104	88	5.22	1.1	1.1
30	104	88	5.22	1.1	1.1
31	104	88	5.22	1.1	1.1
32	104	88	5.22	1.1	1.1
33	104	88	5.22	1.1	1.1
34	104	88	5.22	1.1	1.1
35	104	88	5.22	1.1	1.1
36	104	88	5.22	1.1	1.1
37	104	88	5.22	1.1	1.1
38	104	88	5.22	1.1	1.1
39	104	88	5.22	1.1	1.1
40	104	88	5.22	1.1	1.1
41	104	88	5.22	1.1	1.1
42	104	88	5.22	1.1	1.1
43	104	88	5.22	1.1	1.1
44	104	88	5.22	1.1	1.1
45	104	88	5.22	1.1	1.1
46	104	88	5.22	1.1	1.1
47	104	88	5.22	1.1	1.1
48	104	88	5.22	1.1	1.1
49	104	88	5.22	1.1	1.1
50	104	88	5.22	1.1	1.1
51	104	88	5.22	1.1	1.1
52	104	88	5.22	1.1	1.1
53	104	88	5.22	1.1	1.1
54	104	88	5.22	1.1	1.1
55	104	88	5.22	1.1	1.1
56	104	88	5.22	1.1	1.1
57	104	88	5.22	1.1	1.1
58	104	88	5.22	1.1	1.1
59	104	88	5.22	1.1	1.1
60	104	88	5.22	1.1	1.1
61	104	88	5.22	1.1	1.1
62	104	88	5.22	1.1	1.1
63	104	88	5.22	1.1	1.1
64	104	88	5.22	1.1	1.1
65	104	88	5.22	1.1	1.1
66	104	88	5.22	1.1	1.1
67	104	88	5.22	1.1	1.1
68	104	88	5.22	1.1	1.1
69	104	88	5.22	1.1	1.1
70	104	88	5.22	1.1	1.1
71	104	88	5.22	1.1	1.1
72	104	88	5.22	1.1	1.1
73	104	88	5.22	1.1	1.1
74	104	88	5.22	1.1	1.1
75	104	88	5.22	1.1	1.1
76	104	88	5.22	1.1	1.1
77	104	88	5.22	1.1	1.1
78	104	88	5.22	1.1	1.1
79	104	88	5.22	1.1	1.1
80	104	88	5.22	1.1	1.1
81	104	88	5.22	1.1	1.1
82	104	88	5.22	1.1	1.1
83	104	88	5.22	1.1	1.1
84	104	88	5.22	1.1	1.1
85	104	88	5.22	1.1	1.1
86	104	88	5.22	1.1	1.1
87	104	88	5.22	1.1	1.1
88	104	88	5.22	1.1	1.1
89	104	88	5.22	1.1	1.1
90	104	88	5.22	1.1	1.1
91	104	88	5.22	1.1	1.1
92	104	88	5.22	1.1	1.1

DRAPEY AND STORES—Continued[illegible]

ENGINEERING—Continued

[illegible]

BRITISH FUNDS

High	Low	Stock	4	5	Yield
		Stamps (Lives up	to Five		
99 1/2	92 1/2	Presidential 18th	99 1/2	6.55	0.08
100 1/2	93 1/2	Presidential 19th	100 1/2	6.55	0.08
101 1/2	94 1/2	Presidential 20th	101 1/2	6.55	0.08
97 1/2	91 1/2	Presidential 21st	97 1/2	6.39	0.08
98 1/2	92 1/2	Presidential 22nd	98 1/2	6.39	0.08
99 1/2	93 1/2	Presidential 23rd	99 1/2	6.39	0.08
100 1/2	94 1/2	Presidential 24th	100 1/2	6.39	0.08
101 1/2	95 1/2	Presidential 25th	101 1/2	6.39	0.08
102 1/2	96 1/2	Presidential 26th	102 1/2	6.39	0.08
103 1/2	97 1/2	Presidential 27th	103 1/2	6.39	0.08
104 1/2	98 1/2	Presidential 28th	104 1/2	6.39	0.08
105 1/2	99 1/2	Presidential 29th	105 1/2	6.39	0.08
106 1/2	100 1/2	Presidential 30th	106 1/2	6.39	0.08
107 1/2	101 1/2	Presidential 31st	107 1/2	6.39	0.08
108 1/2	102 1/2	Presidential 32nd	108 1/2	6.39	0.08
109 1/2	103 1/2	Presidential 33rd	109 1/2	6.39	0.08
110 1/2	104 1/2	Presidential 34th	110 1/2	6.39	0.08
111 1/2	105 1/2	Presidential 35th	111 1/2	6.39	0.08
112 1/2	106 1/2	Presidential 36th	112 1/2	6.39	0.08
113 1/2	107 1/2	Presidential 37th	113 1/2	6.39	0.08
114 1/2	108 1/2	Presidential 38th	114 1/2	6.39	0.08
115 1/2	109 1/2	Presidential 39th	115 1/2	6.39	0.08
116 1/2	110 1/2	Presidential 40th	116 1/2	6.39	0.08
117 1/2	111 1/2	Presidential 41st	117 1/2	6.39	0.08
118 1/2	112 1/2	Presidential 42nd	118 1/2	6.39	0.08
119 1/2	113 1/2	Presidential 43rd	119 1/2	6.39	0.08
120 1/2	114 1/2	Presidential 44th	120 1/2	6.39	0.08
121 1/2	115 1/2	Presidential 45th	121 1/2	6.39	0.08
122 1/2	116 1/2	Presidential 46th	122 1/2	6.39	0.08
123 1/2	117 1/2	Presidential 47th	123 1/2	6.39	0.08
124 1/2	118 1/2	Presidential 48th	124 1/2	6.39	0.08
125 1/2	119 1/2	Presidential 49th	125 1/2	6.39	0.08
126 1/2	120 1/2	Presidential 50th	126 1/2	6.39	0.08
127 1/2	121 1/2	Presidential 51st	127 1/2	6.39	0.08
128 1/2	122 1/2	Presidential 52nd	128 1/2	6.39	0.08
129 1/2	123 1/2	Presidential 53rd	129 1/2	6.39	0.08
130 1/2	124 1/2	Presidential 54th	130 1/2	6.39	0.08
131 1/2	125 1/2	Presidential 55th	131 1/2	6.39	0.08
132 1/2	126 1/2	Presidential 56th	132 1/2	6.39	0.08
133 1/2	127 1/2	Presidential 57th	133 1/2	6.39	0.08
134 1/2	128 1/2	Presidential 58th	134 1/2	6.39	0.08
135 1/2	129 1/2	Presidential 59th	135 1/2	6.39	0.08
136 1/2	130 1/2	Presidential 60th	136 1/2	6.39	0.08
137 1/2	131 1/2	Presidential 61st	137 1/2	6.39	0.08
138 1/2	132 1/2	Presidential 62nd	138 1/2	6.39	0.08
139 1/2	133 1/2	Presidential 63rd	139 1/2	6.39	0.08
140 1/2	134 1/2	Presidential 64th	140 1/2	6.39	0.08
141 1/2	135 1/2	Presidential 65th	141 1/2	6.39	0.08
142 1/2	136 1/2	Presidential 66th	142 1/2	6.39	0.08
143 1/2	137 1/2	Presidential 67th	143 1/2	6.39	0.08
144 1/2	138 1/2	Presidential 68th	144 1/2	6.39	0.08
145 1/2	139 1/2	Presidential 69th	145 1/2	6.39	0.08
146 1/2	140 1/2	Presidential 70th	146 1/2	6.39	0.08
147 1/2	141 1/2	Presidential 71st	147 1/2	6.39	0.08
148 1/2	142 1/2	Presidential 72nd	148 1/2	6.39	0.08
149 1/2	143 1/2	Presidential 73rd	149 1/2	6.39	0.08
150 1/2	144 1/2	Presidential 74th	150 1/2	6.39	0.08
151 1/2	145 1/2	Presidential 75th	151 1/2	6.39	0.08
152 1/2	146 1/2	Presidential 76th	152 1/2	6.39	0.08
153 1/2	147 1/2	Presidential 77th	153 1/2	6.39	0.08
154 1/2	148 1/2	Presidential 78th	154 1/2	6.39	0.08
155 1/2	149 1/2	Presidential 79th	155 1/2	6.39	0.08
156 1/2	150 1/2	Presidential 80th	156 1/2	6.39	0.08
157 1/2	151 1/2	Presidential 81st	157 1/2	6.39	0.08
158 1/2	152 1/2	Presidential 82nd	158 1/2	6.39	0.08
159 1/2	153 1/2	Presidential 83rd	159 1/2	6.39	0.08
160 1/2	154 1/2	Presidential 84th	160 1/2	6.39	0.08
161 1/2	155 1/2	Presidential 85th	161 1/2	6.39	0.08
162 1/2	156 1/2	Presidential 86th	162 1/2	6.39	0.08
163 1/2	157 1/2	Presidential 87th	163 1/2	6.39	0.08
164 1/2	158 1/2	Presidential 88th	164 1/2	6.39	0.08
165 1/2	159 1/2	Presidential 89th	165 1/2	6.39	0.08
166 1/2	160 1/2	Presidential 90th	166 1/2	6.39	0.08
167 1/2	161 1/2	Presidential 91st	167 1/2	6.39	0.08
168 1/2	162 1/2	Presidential 92nd	168 1/2	6.39	0.08
169 1/2	163 1/2	Presidential 93rd	169 1/2	6.39	0.08
170 1/2	164 1/2	Presidential 94th	170 1/2	6.39	0.08
171 1/2	165 1/2	Presidential 95th	171 1/2	6.39	0.08
172 1/2	166 1/2	Presidential 96th	172 1/2	6.39	0.08
173 1/2	167 1/2	Presidential 97th	173 1/2	6.39	0.08
174 1/2	168 1/2	Presidential 98th	174 1/2	6.39	0.08
175 1/2	169 1/2	Presidential 99th	175 1/2	6.39	0.08
176 1/2	170 1/2	Presidential 100th	176 1/2	6.39	0.08

††BANKS AND HIRE PURCHASE

Line	Stock	Price	Div	Yrs	Folio
205	Aluminum D. O.	210	11.67	5	5.2
206	Aluminum Co.	210	12.50	5	5.2
207	Alexander H. & S.	210	25.0	4	5.7
208	Allyl Corp.	110	Q250	5	5.7
209	Anglo Corp.	110	0	5	5.7
210	Anglo Corp.	167	0	17.00	5.7
211	Ant. & N. S. C.	315	2	9.7	5.7
212	Ant. & N. S. C.	339	1	9.7	5.7
213	Ant. & N. S. C.	339	1	9.7	5.7
214	Ant. & N. S. C.	339	1	9.7	5.7
215	Ant. & N. S. C.	339	1	9.7	5.7
216	Ant. & N. S. C.	339	1	9.7	5.7
217	Ant. & N. S. C.	339	1	9.7	5.7
218	Ant. & N. S. C.	339	1	9.7	5.7
219	Ant. & N. S. C.	339	1	9.7	5.7
220	Ant. & N. S. C.	339	1	9.7	5.7
221	Ant. & N. S. C.	339	1	9.7	5.7
222	Ant. & N. S. C.	339	1	9.7	5.7
223	Ant. & N. S. C.	339	1	9.7	5.7
224	Ant. & N. S. C.	339	1	9.7	5.7
225	Ant. & N. S. C.	339	1	9.7	5.7
226	Ant. & N. S. C.	339	1	9.7	5.7
227	Ant. & N. S. C.	339	1	9.7	5.7
228	Ant. & N. S. C.	339	1	9.7	5.7
229	Ant. & N. S. C.	339	1	9.7	5.7
230	Ant. & N. S. C.	339	1	9.7	5.7
231	Ant. & N. S. C.	339	1	9.7	5.7
232	Ant. & N. S. C.	339	1	9.7	5.7
233	Ant. & N. S. C.	339	1	9.7	5.7
234	Ant. & N. S. C.	339	1	9.7	5.7
235	Ant. & N. S. C.	339	1	9.7	5.7
236	Ant. & N. S. C.	339	1	9.7	5.7
237	Ant. & N. S. C.	339	1	9.7	5.7
238	Ant. & N. S. C.	339	1	9.7	5.7
239	Ant. & N. S. C.	339	1	9.7	5.7
240	Ant. & N. S. C.	339	1	9.7	5.7
241	Ant. & N. S. C.	339	1	9.7	5.7
242	Ant. & N. S. C.	339	1	9.7	5.7
243	Ant. & N. S. C.	339	1	9.7	5.7
244	Ant. & N. S. C.	339	1	9.7	5.7
245	Ant. & N. S. C.	339	1	9.7	5.7
246	Ant. & N. S. C.	339	1	9.7	5.7
247	Ant. & N. S. C.	339	1	9.7	5.7
248	Ant. & N. S. C.	339	1	9.7	5.7
249	Ant. & N. S. C.	339	1	9.7	5.7
250	Ant. & N. S. C.	339	1	9.7	5.7
251	Ant. & N. S. C.	339	1	9.7	5.7
252	Ant. & N. S. C.	339	1	9.7	5.7
253	Ant. & N. S. C.	339	1	9.7	5.7
254	Ant. & N. S. C.	339	1	9.7	5.7
255	Ant. & N. S. C.	339	1	9.7	5.7
256	Ant. & N. S. C.	339	1	9.7	5.7
257	Ant. & N. S. C.	339	1	9.7	5.7
258	Ant. & N. S. C.	339	1	9.7	5.7
259	Ant. & N. S. C.	339	1	9.7	5.7
260	Ant. & N. S. C.	339	1	9.7	5.7
261	Ant. & N. S. C.	339	1	9.7	5.7
262	Ant. & N. S. C.	339	1	9.7	5.7
263	Ant. & N. S. C.	339	1	9.7	5.7
264	Ant. & N. S. C.	339	1	9.7	5.7
265	Ant. & N. S. C.	339	1	9.7	5.7
266	Ant. & N. S. C.	339	1	9.7	5.7
267	Ant. & N. S. C.	339	1	9.7	5.7
268	Ant. & N. S. C.	339	1	9.7	5.7
269	Ant. & N. S. C.	339	1	9.7	5.7
270	Ant. & N. S. C.	339	1	9.7	5.7
271	Ant. & N. S. C.	339	1	9.7	5.7
272	Ant. & N. S. C.	339	1	9.7	5.7
273	Ant. & N. S. C.	339	1	9.7	5.7

ELECTRICAL AND RADIO

[illegible]

CHEMICALS, PLASTICS

72	Albany W.V. Pk.	533	+1	3.75	2.7
73	Altamont	96	0	3.75	2.1
74	Altoona	100	0	3.75	2.1
75	Altoona	79	0	3.18	0.9
76	Altoona	100	0	3.18	0.9
77	Altoona	100	0	3.18	0.9
78	Altoona	100	0	3.18	0.9
79	Altoona	100	0	3.18	0.9
80	Altoona	100	0	3.18	0.9
81	Altoona	100	0	3.18	0.9
82	Altoona	100	0	3.18	0.9
83	Altoona	100	0	3.18	0.9
84	Altoona	100	0	3.18	0.9
85	Altoona	100	0	3.18	0.9
86	Altoona	100	0	3.18	0.9
87	Altoona	100	0	3.18	0.9
88	Altoona	100	0	3.18	0.9
89	Altoona	100	0	3.18	0.9
90	Altoona	100	0	3.18	0.9
91	Altoona	100	0	3.18	0.9
92	Altoona	100	0	3.18	0.9
93	Altoona	100	0	3.18	0.9
94	Altoona	100	0	3.18	0.9
95	Altoona	100	0	3.18	0.9
96	Altoona	100	0	3.18	0.9
97	Altoona	100	0	3.18	0.9
98	Altoona	100	0	3.18	0.9
99	Altoona	100	0	3.18	0.9
100	Altoona	100	0	3.18	0.9

ENGINEERING, MACHINE TOOLS

71	A.P.C. Machinery	71	-2	2.75	3.5	5.7
2290	A.P.E. 50p	2650	-	9.29	-	7.3
1136	Accrow (Engl.)	128	-	5.69	2.8	4.4
1133	De 'A'	122	-	3.69	2.8	4.4
1135	De 'A' Group	131	-	3.69	2.8	4.4
1328	Allen 9% Cdn	670	-2	9.94	-	0.13
66	Allen (Ed) Balmfr.	75	+1	15.94	2.6	8.1
38	Allen W.G.	38	-	2.33	2.7	9.0
429	Allen & Co.	429	-	2.95	1.6	9.0
46	Alton Power	51	-1	3.05	2.7	9.0
27	Anglo. Fertilizer	52	-	12.12	2.7	7.2
27	Anglo. Fertilizer	52	-	9.07	2.7	7.2
103	Asa & Lacy	103	+2	5.4	-	7.9
	Am. British 125p.		-	B	-	

FOOD, GROCERIES, ETC.

Adams Foods Np.	105	+1	82.25	2.9
Alpine Steel D 10p	105	15.6	2.9	
Am. Securit. Np.	102	-1	82.61	3.2
Am. Bril. Fds. Sp	68	11.59	3.2	
Am. Dairy Np.	221	+3	81.25	8.7
Am. Fisheries	26	0.16		
Am. Group Sp.	154	10.17		
Banka (Society) Np.	51	+1	3.0	2.8
Barber & D. 10p	4			
Bary (A.E.)	140	5.26	0	
Blument (Gen.)	76	4.22	0	
Bullseye York Np.	76	-1	12.72	1.4
Bulwin Np.	76	112.0	1.7	
Unity (U.E.)	88	+2	5.30	0

CINEMAS, THEATRES AND TV

75	Anglia TV "A"	111	+1	6.8	1.6	8.4
76	Am. Tele "A"	29	+1	13.0	1.6	14.6
79	Grampian "A" 10p	34	+1	20.25	1.9	22.15
132	Edward TV 10p	132	-1/2	19.35	1.9	21.25
45	S.T.V.	45	.....	14.25	1.9	16.15
46	Rediff. TV Post. 61	67	.....	5.95	19.4	25.35
160	Scott. TV "A" 10p	25	-1	1.3	0	8.0
30	Irish TV "A" 10p	30	-1/2	2.11	1.3	9.2
23	Ulster TV "A"	42	3	3.2	1.6	4.7
13	Edward TV 10p.	13	.....	1.6	1.3	9.3

BUILDING INDUSTRY, TIMBER & ROADS

1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050																																																																																																																																																																																																																																																																																																																																																																																																											
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AMERICANS

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INDEXED - Continued

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Strikes at Leyland delay new Rover

BY PETER CARTWRIGHT AND TERRY DOOSWORTH

THE LAUNCH of British Leyland's new Rover, one of the most eagerly-awaited new models to come from the U.K. industry for some time, has been delayed by almost a month because of the strikes over the last four weeks.

As most Leyland Car factories were returning to normal yesterday after the conclusion of four crippling strikes at the end of last week, letters were being sent to dealers telling them that the launch date had been put off from the beginning to the end of June.

One of the main problems for Rover has been the strike of toolroom workers at its Solihull works, which affected various areas including the installation and maintenance of machines.

Cars are now beginning to be produced at the new factory specially built for the vehicle. But Leyland wants to be in a good stock position to give the car a sound send-off. The launch of the Princess early last year was affected in a similar manner. Leyland was able to recall 15,000 workmen yesterday to resume production of eight car models following the settlement of the four strikes.

Efforts are being made to

resolve a fifth dispute which could ultimately affect production of all Austin-Morris cars. Local officials of the Amalgamated Union of Engineering Workers are trying to convene a meeting of the 70 toolmakers who have been on strike at the Drevs Lane, Birmingham, suspensions plant for more than a week.

Public funds

Mr. John Boyd, A.T.E.W. general secretary, has instructed the strikers to return, as their claim - for an extra £10 a week to give them parity with staff-rated toolroom demonstrators - is in breach of the union's support of the Government's counter-inflation policy.

The rash of disputes which hit Leyland over the past few weeks has been a major setback to the State-financed company's bid to step up car output to 20,000 vehicles a week by mid-summer in order to qualify for a further tranche of public funds.

More than 17,000 cars worth over £40m. in retail terms have been lost over the past month. Management now has to rebuild output from a level of 9,000 a week - just half the performance at the beginning of March.

While week-end work at Triumph's Joyntrey plant enabled a full resumption to be made, it will be to-day before everyone is back at the sister plant at Liverpool.

At the Rover works at Solihull Land Rover output was restarted but Range Rover lines are building up more slowly. At Austin-Morris factories, Mill and Marina production was also resumed.

The return still left 4,500 idle about 2,000 on the Maxi and Princess lines at Cowley, Oxford. Previously unaffected, they have had to be suspended for two days to allow stocks of bodies to be topped up.

While it is expected that Leyland Cars will have recaptured a substantial part of the lost production rates by the end of the week, the position is not quite out of the wood.

Lucas, which supplies Leyland with almost all the batteries it needs, warned yesterday that a six-week-old strike over a demand for 27 extra a week by 18 main-tenance engineers will create serious delivery shortages. However, the dispute may do no more than slow car production for some time, and could even have no real impact at all.

Parliament, Page 12

Sunderland wins £25m. order for five cargo ships

BY JOHN WYLES, SHIPPING CORRESPONDENT

AUSTIN AND PICKERSGILL, the Sunderland shipbuilding company, has won £25m. worth of foreign orders for five SD 14 dry cargo vessels, Britain's best-selling merchant ship design.

The orders, two from Hong Kong owners and three from Greek shipping groups, brings the total number of SD 14s ordered from A. and P. and its licensees to 185 since the design was introduced eight years ago. The Sunderland company's £125m. 32-vessel order book should guarantee employment for its 2,700-strong labour force until mid-1978.

Japanese bid

Apart from strengthening A. and P.'s claim to be Britain's most successful shipbuilder, the orders are a psychological boost for the whole shipbuilding industry which has failed to attract any substantial business from abroad for at least 18 months.

Claiming that his company had had to beat off "the strongest Japanese" competi-

tion we have ever experienced," Mr. Derek Kimber, A. and P.'s chairman, yesterday believed that the orders were "comparable with the whole of the West European shipbuilding industries" publicly announced intake of new work so far this year.

Fixed prices

Although not officially confirmed A. and P.'s most recent customers have almost certainly taken advantage of the Government's cost inflation scheme, which guarantees against price rises of up to 20 per cent. for export contracts.

This enables a shipyard to tender fixed prices and the Government is expected to announce shortly extension of the scheme to cover orders from British shipowners.

Meanwhile, A. and P. confirmed yesterday that it hopes to win more business over the next few months. All of the orders announced yesterday came from previous customers of the Wear-based yard.

Brighter mechanical engineering outlook

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE MECHANICAL engineering industry will be well on the way out of its recession by the end of this year, with an order intake by 15 to 20 per cent. on last year's levels, according to the mechanical engineering "Little Noddy."

Employment prospects in the industry are also much brighter, with only a very small further decline expected, its short-term trends survey suggests.

Confidence

It is clear from the report that there is growing confidence in the industry that the forecasts which the Little Noddy has been making since October will be fulfilled. The main upturn is still expected to come towards the end of this year or early next year, but now the working party sees indications of a gradual pick-up occurring through 1976. The forecasts were prepared in mid-March, before the recent sharp decline in the value of sterling against other major currencies. The feeling is that even this decline has probably not reached its nadir, and mechanical engineering products to the 1973

position when they were exceedingly price competitive with their major world rivals. In any case, more and more companies have been reporting that competition is increasingly limiting their ability to raise prices in overseas markets.

Exporters

The working party says that the main increases in U.K. demand will come from the major exporting industries, followed by producers of consumer goods, including cars, and from demand for components used by the industry itself and elsewhere.

The demand for capital goods is, expected to develop more slowly than usual, however, because of the low level of capacity utilisation and financial constraints.

Some check to the expansion in orders from the OPEC countries is expected. The increased cost of Russian oil is also likely to limit demand from East European countries other than the USSR.

Details Page 6

THE LEX COLUMN

Company profits, reliability cut in half

Company trading profits net of stock appreciation fell a further half-point to 6 per cent. of domestic income in 1975, against an average for the past decade of 12 per cent. Meanwhile income from employment reached 73 per cent. of domestic income compared with the ten-year average of 69 per cent. At least the fourth quarter figures indicate that some recovery in profits has at last begun. But the Chancellor to-day is to outline a credible strategy for higher output, investment and growth he will also have to make it clear that the realignments seen in recent years in the distribution of the national income will need to be speedily reversed. To some extent a fall in the inflation rate would help. Profits including stock appreciation are less drastically - at 10 against 13 per cent. - below their longer run share of total income, but the sharp rise in the raw materials price index in March is a reminder that despite the slower rate of increase in wholesale prices at the output stage inflation is not a spent force.

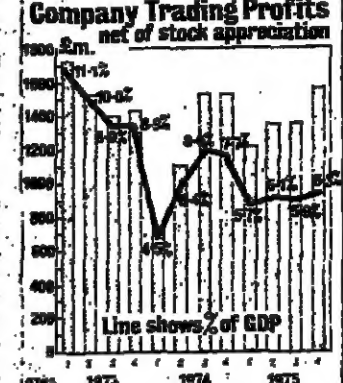
Sterling remained fairly uneasy yesterday ahead of the Budget, and gilts could not drum up any enthusiasm, although Mr. Callaghan's victory removes at least one source of uncertainty. The jump in equities took place in thin trading conditions.

Index rose 8.2 to 404.7

£70m. of Forties finance is still available and the group has raised a further \$150m. in the U.S. already this year.

The Alaskan pipeline should just about be complete by the end of the year and an enormous increase in the group's cash generation will be in view. The report discloses that last autumn the group's unrequited investment in the North Sea and Alaska amounted to \$800m., roughly a seventh of capital employed. The potential returns there help to explain the strength of the shares, at a new high of 820p yesterday, despite the prospect of another lean period in 1976.

See also Pages 22



charges and a two-for-one second half profits. Grattan concentrated early stage on margins and keeping capital under control. Although profits have appeared their working capital margins pretty well control, the current likely to be particularly cull for sales with a volume reported at there is little obting after yesterday's 87p at Grattan and 1 at Freemans. The p and 9 respectively.

See also Pages 22

Burmah

Publication of the plan for Burmah's December 31, 1975, annual memorandum - January 23, 1976 - a great deal of room work about what is between. In one sense position actually seen improved between dates, for to begin Bank was willing to repayment at par 0 8 1/2 per cent. Loan worth £35 per cent. trust deed of this fact breached.

Mail order

The mail order sector for once slipped behind other non-food retailers last year and the rate of increase of turnover dropped from 19.5 to 15.3 per cent. between the halves. But yesterday both Grattan and Freemans showed their resilience in face of this by reporting profit advances of a tenth to 59.8m. and a sixth to 58.2m. respectively for the year to January. The explanation lies primarily in efforts to hold or improve gross margins and a tightening of control on working capital by cutting back on credit terms. The improvement is most striking at Freemans: the group had previously been pushing hard for volume at the expense of margins and while the August-January sales gain of 19 per cent. was still slightly better than average, earlier action on stocks helped to produce an immediate saving in interest

London docklands £2.1bn. revival plan

BY QUENTIN GUIRDHAM

A "STRATEGIC" plan to revive 5,500 acres of London's docklands involves the spending of £2.1bn. by 1997. £1.2bn. of this would come from public funds and £900m. from the private sector. £300m. of this being taken up by the Southwark Trade Mart.

The plan has been drawn up by the Joint Docklands Committee - made up of the Greater London Council and the five boroughs involved: Greenwich, Lewisham, Newham, Southwark and Tower Hamlets. A new Underground service, known as the River Line, is described as the key to the plan.

But Government public spending curbs have already cast doubts on building the line, raising the question of whether the GLC could take on the major financing role from rate income. Mr. Horace Cutler, leader of the Conservative Opposition on the GLC, claimed yesterday that the council could start the docklands' plan immediately with money it would have otherwise used to hold down rate increases before the next GLC elections.

'Groveling'

"The Labour-controlled GLC has at least £90m. stored away which will be used to dress the shop window for the next election in 1977 and some of that money should be used now to make a start on the docklands," said Mr. Cutler.

"Instead of groveling to the Government who cannot or will not find them the cash they need, the GLC Labour Party must make up their minds to start now."

The plan foresees the population of the area going up from the present 55,000 to 100,000-125,000 with 25,000 new homes, nearly half of which might be on an equity sharing basis with joint ownership between tenants and councils or housing associations.

The new Underground service would be an extension of the Fleet Line, now under construction, from Fenchurch Street to Thamesmead.

How this will be financed is the chief stumbling block. The

Government is limiting capital spending on public transport in London to £40m. a year up to 1981-82.

This limit has caused doubts about starting even the second phase of the Fleet Line from the Strand to Fenchurch Street.

Sir Reg Goodwin, leader of the GLC, yesterday said he was "reasonably optimistic" that the Government's transport strategy would allow funds for the new line.

Road tunnel

A first phase, involving better bus services and roads would cost £71m. The second phase, including the River Line tube, the reinstatement of a freight railway to serve industry, and the possible widening of the A13 between Canning Town and Limehouse would cost between £15m. and £21m.

A third priority would be a road tunnel between Beckton and Thamesmead, linking the North Circular and the A2 extension of the East London rail line and electrification of the North Woolwich line. These would cost £118m.

The plan suggests that 820 acres, on the Greenwich Peninsula, in the Poplar/Silvertown area and at East Beckton, should be earmarked for industrial development.

In East London as a whole, it forecasts that 75,000 new jobs, mainly industrial, would be needed by the 1980s and that the docklands area could produce up to 30,000 of these.

After considering public reaction, the Joint Docklands Committee will produce a final strategy plan in July.

So far the Government has shown no signs of altering the view, expressed in last year's White Paper, that it "has no plans for special forms of support" for the docklands area.

Labour call for Bank reform

By Peter Hennessy, Lobby Correspondent

THE Home Policy Committee of the Labour Party National Executive decided last night to recommend that the party adopt a reform plan for the Bank of England designed to make it more publicly accountable and less secretive in its dealings.

The committee's recommendations will need approval from a full meeting of the NEC before they can be put to the party's annual conference in the autumn for inclusion in "Labour's Programme 1976."

The Executive Policy Committee, which is dominated by the Left wing, also decided that the four main clearing banks should be nationalised and placed under the control of the reformed Bank of England, which would act as a holding company. One leading merchant bank should also be included in the takeover.

The Giro and National Savings movements - already in public ownership - should be integrated and expanded to achieve a higher investment in industry.

The committee also wants a future Labour Government to take over the seven leading insurance companies and nationalise the insurance industry entirely. The possibility of a

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No soft options—Callaghan

Mr. Dickson Mabon, chairman of the Manifesto Group, said last night that it was ready to disband as soon as the Left-wing Tribune Group was dissolved.

The announcement of Mr. Callaghan's defeat of Mr. Foot in the third-round ballot had been greeted with a resounding cheer by Labour MPs packed into Committee Room 14 at the Commons.

Mr. Cledwyn Hughes, the party chairman, said that MPs had responded warmly and unanimously to his call for "support, understanding and confidence" for Mr. Callaghan.

And after the newly-elected leader and Prime Minister—the first to enter Downing Street after holding the three major Cabinet posts of Chancellor, Home Secretary and Foreign Secretary—had spoken, there were unanimous pledges of loyalty from his colleagues.

Mr. Foot, offering his support, said that the Government and the country faced a difficult period. "But if we work together, we can overcome it," he said.

As he left the meeting, Mr. Foot added smilingly: "A pretty good result for all concerned."

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Small rise in wholesale prices

shows that over the 12 months to March the prices of manufactured products went up 1.6 per cent. compared with an increase of 1.7 per cent. over the period to February. Similarly, the index for manufactured goods other than food, drink and tobacco has shown an increase of 4 per cent. in the first quarter of this year, compared with a rise of 7 per cent. in the same period of 1975.

On the input side, the Department reports that the jump in the index reflected higher prices for "a wide range of imported commodities and semi-manufactures." One specific rise which affected the price of coal for manufacturing industry, which was responsible for a 4 per cent. increase in the cost of coal, gas and electricity.

At the same time the Department released figures confirming that the hire-purchase industry has enjoyed a sharp recovery as a result of the earlier terms introduced in December. But that the general level of retail trade has dropped back after the relatively high figures recorded in January.

Finance houses and retailers advanced £271m. in new instalment credit agreements in February compared with £282m. in January and £256m. in December. In the last three months of 1975 (seasonally adjusted), credit advanced by finance houses in January and February—the two complete months since the relaxation of some credit controls—was on average 10 per cent. up on the monthly average in the final quarter of last year. The average weekly value of re-

tailers' instalment credit sales was about 8 per cent. higher in January and February than in the fourth quarter of 1975, and sales by durable goods shops most directly affected by the relaxations—went up by some 20 per cent. between these two periods.

However, the final retail sales figures show that after the January sales the volume of trade dropped in February to around the same level as in December. Over the three months of December to February the volume of sales was about 2 per cent. above the level in the previous three months. But this was still 3 per cent. under the average level reached in the fourth quarter of 1974 and the first quarter of 1975, at the top of the consumer boom.

Weather

U.K. TO-DAY

MOSTLY CLOUDY, dry or bright spells, rain in Scotland. London, S. Cent., S. and E. England, East Angles, Midlands, S. Wales, mainly dry, a few sunny intervals. Wind W., moderate or fresh. Max. 12C (54F).

Channel Islands. Wind W., light or moderate. Max. 12C (54F).

N.E. England. Mostly cloudy, mainly dry. Some bright intervals. Wind W., strong. Max. 12C (54F).

N. Wales, N.W. England, Lakes, Isle of Man, N. Ireland. Mainly cloudy, occasional

drizzle. Hill fog patches. Wind W., strong. Max. 11C (52F). Borders, Edinburgh and Dundee, S.W. and N.W. Scotland, Glasgow, Cent. Highlands, Moray Firth, Argyll.

Cloudy, rain or drizzle at times. Hill fog patches. Wind W., strong or gale. Max. 10C (50F).

Orkney and Shetland. Sunny intervals, occasional showers, wintry at times. Wind W., strong or gale. Cold. Max. 5C (41F).

N.E. Scotland. Sunny intervals, occasional showers. Wind W., strong or gale. Cold. Max. 6C (43F).

Outlook: Becoming colder with sunny intervals and wintry showers.

BUSINESS CENTRES

	Mid-day		Mid-day		
Amsterdam	C 12	10	Luxembourg	C 12	10
Antwerp	C 12	10	Madrid	F 12	10
Barcelona	C 16	10	Manchester	F 12	10
Belgium	C 16	10	St. Helier	F 12	10
Bombay	D 18	10	St. John's	F 12	10
Breast	C 21	10	Stockholm	F 12	10
Buenos Aires	C 21	10	Sunderland	F 12	10
Calcutta	C 21	10	Toronto	F 12	10
Canton	C 21	10	Winnipeg	F 12	10
Cebu	C 21	10	Yokohama	F 12	10
Colon	C 26	10			
Hankow	C 26	10			
Hong Kong	C 26	10			
Kobe	C 26	10			
London	C 26	10			
Lyons	C 26	10			
Manila	C 26	10			
Medan	C 26	10			
Osaka	C 26	10			
Paris	C 26	10			
Perth	C 26	10			
Rangoon	C 26	10			
San Francisco	C 26	10			
Singapore	C 26	10			
Sourabaya	C 26	10			
Taipei	C 26	10			
Tokyo	C 26	10			
Yokohama	C 26	10			

HOLIDAY RESORTS

HOLIDAY RESORTS					
	V-day		V-day		
	Mid-day		Mid-day		
Algeria	C 17	631	Occarno	S 13	60
Barras	D 10	56	Salamanca	S 14	64
Blackpool	C 12	54	San Francisco	D 13	57
Bordeaux	C 12	54	Malaga	S 13	60
Boulogne	S 13	59	Malisco C.	S 13	60
Cavallino	S 13	61	Nairobi	S 13	60
Cebu	S 13	61	Naples	S 13	60
Corin	S 13	61	Nor	C 16	61
Dobrovin	S 13	61	Nor	C 16	61
Edinburgh	S 13	61	Rio de J'o	S 13	60
Flor-nce	S 13	61	Rhodes	S 13	60
For-hal	S 13	61	Saint-Petersburg	S 13	60
Genoa	S 13	61	Santo Domingo	S 13	60
Guernsey	S 13	61	Tenerife	F 11	51
Hankow	P 16	64	Turk	F 19	60
Hongkong	P 16	64	Yaguas	S 13	60
Interpre	S 13	61	Venice	S 13	60
Island	S 13	61	Clondy	S 13	60
Jerico	S 13	61			
London	F-Fair	C 17	C-Venice	R-Razv	
Sno-Snow	T-Turned	return	D-Drizle		
	R-Razv				

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